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The Nation's Business

Judicial Enquiry Needed for Bren

ON JULY 1, 1938, Hon. Ian Mackenzie, Minister of National Defence, made this statement:

"From the business point of view this is one of the finest contracts that was ever signed in the public interest of Canada."

He was referring to the Bren gun contract signed on March 31, 1938, between the Canadian Government and the John Inglis Co.

Elsewhere in this issue The Financial Post summarizes an article appearing in the September 1 issue of Maclean's Magazine and which asks some searching and pertinent questions regarding this contract. They suggest that Mr. Mackenzie's statement was—to put it mildly—unusual and undeserved praise.

Perusal of this and other material facts surrounding this contract suggests some important questions, additional to those asked by Col. Drew, which The Financial Post believes should be answered immediately:

1. Why was the contract let without tender?
2. Why were established firms, equipped with machinery, and going organizations not invited to submit bids?
3. Why was the contract given to a firm with little more, at the time the contract was signed, than four bare walls?
4. Where did all the stock in the reorganized company go to? Who will share the profits?

* * *

AT LEAST $2.8 millions of public money may eventually accrue to the John Inglis Co. Already valuable small arms machinery belonging to the Government and valued at $250,000 has been loaned to the company for its use. It has been intimated that this contract (of which Hon. Ian Mackenzie is so proud) is to be the basis of additional armament contracts.

In view of these facts Canadian taxpayers have a right to demand a complete judicial enquiry into this whole affair.

This munitions contract is the most important the country has undertaken since the Great War. No stone should be left unturned short of a complete investigation into its every detail.

If production of armaments in Canada is to be handled by private *concerns there* is no room for any mystery such as suggested by Col. Drew's very pertinent questions.

* * *

St. Lawrence Waters Now Muddier

APPARENTLY President Roosevelt did little more than muddy the St. Lawrence Seaway waters when he came across to Ivy Lea last week. Mutual understanding as between the President and Prime Minister King may have been increased, but it is not Mr. King who needs to be enthused about the seaway.

The chief obstacle to its consummation is Ontario. Not only did Premier Hepburn absent himself from the international bridge festivities, but he showed his dislike of President Roosevelt's rather bludgeoning tactics by writing a scorching hot letter to Mr. King, telling him in effect that he had no intention whatever of committing the province to a huge expenditure on waterways account.

* * *

AS THE FINANCIAL POST has long emphasized, the future of the waterways project has become primarily a matter of power rather than navigation. Under the present and 1932 proposals, Ontario bears the major share of Canadian expenditure as its cost of developing hydro-electric power in the international rapids section.

Premier Hepburn is taking a big responsibility on his shoulders when he refuses to discuss dispassionately the most recent U. S. proposal. Aside from whatever "power politics" are being played in the United States, the pith and substance of the Ontario case are whether, in the interest of her own industrial development, she ought not to seize the present opportunity to ensure adequate future power supply on the terms now offered by the U. S. Government. This is at least worthy of a calm and honest analysis.

* * * *

THERE is little doubt that engineering opinion among the men directly responsible for the Ontario Hydro-Electric Power Commission believes the province cannot start too soon to seek additional sources of power.

Have the Commission's three members or their engineering advisers been asked for their opinion on the project? If so, what is that opinion?

Mr. Hepburn is absolutely right in insisting that Ontario refrain from making any capital investment that is not required and that might jeopardize the future of the province. Would that there were more premiers holding that view so firmly. But a decision as to whether or not Ontario may need the St. Lawrence power by the time it could be developed is one that is too important for Mr. Hepburn to

(Continued on page 2, col. 4)

Deadlock on the Seaway

Definite Set-back Seen From Roosevelt, Hepburn Cross-fire

By KENNETH R. WILSON
Staff Writer, The Financial Post

Canadian political circles believe the St. Lawrence Waterway and power project received a substantial setback last week in the cross-fire of highly explosive comments between President Roosevelt, Premier Mitchell Hepburn of Ontario and Prime Minister King.

Mr. Roosevelt came to the border at Ivy Lea and urged the early development of the project. But he did not content himself with a simple argument for going ahead with the seaway. He spoke ominously of private groups seeking to obtain control of the empire of the Great Lakes. He said:

"A conception has been merging in the United States . . . that if a private group could control the outlet of the Great Lakes basin that group would have a monopoly in the development of a territory larger than many of the great empires of history . . . Literally every development of electric power, save only of the Ontario Hydro, is allied to, if not controlled by, a single American group with, of course, the usual surrounding penumbra of allies, affiliates, subsidiaries and satellites. . . .

"To put it bluntly, a group of American interests is here gradually putting itself into a position where, unless caution is exercised, they may in time be able to determine the economic fate of a large area, both in Canada and the United States."

Muck-raking Report

Students of Mr. Roosevelt's vendetta against the private power companies recalled, when they read these words, a sensational, muck-raking report of the New York State Power authority (creation of Mr. Roosevelt when governor of New York) which sought to link a large number of Quebec power companies, including some from which Ontario Hydro now buys power, with the Mellon-Morgan interests in the States.

This report, issued some months ago and summarized in The Financial Post, charged the Morgan-Mellon interests with blocking the seaway project.

The obvious interpretation of Mr. Roosevelt's Ivy Lea speech was that he sought to use the bogey of the private power interests to force the hand of Canada on the St. Lawrence development. Mr. Hepburn apparently resented the use of such bludgeoning tactics by the President.

Another phrase in Mr. Roosevelt's speech seemed a direct slap at the Ontario Premier.

He spoke of "prophets of trouble" who expressed the fear that the St. Lawrence Waterway would handicap the railway systems.

Mr. Hepburn happens to be one of those who has opposed the waterway for the possible harm it would do to Canada's two major railway systems.

Mr. Hepburn Speaks

His ire aroused, Mr. Hepburn quickly came forward with his answer. It took the form of a letter to Premier King, written in highly undiplomatic language, in which he said that Ontario could not be forced "to expend public funds in such an unwarranted manner or to place upon the people of Ontario an additional burden of debt and taxation."

Mr. Hepburn reiterated his belief that the waterway would injure the railways and in particular, increase the deficits of the Canadian National Railways, thus endangering the credit of the Dominion, the provinces and the municipalities.

He expressed the view that Ontario had ample power supplies "indeed a huge surplus" for many years to come and was by the actions of Ottawa denied the profit from the export of power. He closed with a reference to the uncertainty of the cost estimates in connection with the waterway.

Mr. King's Reply

Mr. King's reply to the Roosevelt and Hepburn statements was made

(Continued on page 3, col. 4)

Grain Should Erase Rails' Revenue Loss

Prospects Are That C.N.R. and C.P.R. Will Reach 1937 Levels

'39 PROSPECTS BETTER

From Our Own Correspondent

MONTREAL.—Operating revenues of the Canadian railways will benefit materially from the large grain crop in the West. While the movement of the new crop will be spread over a period of the next 12 months and the proportion attributable to this year will depend upon export demand, the increased revenue, as compared with last year, should wipe out all or most of the loss reported so far in 1938.

Last year the wheat crop amounted to 164,000,000 bushels; this year it will probably run close to 350,000,000 bushels. The handling of the increased tonnage should add about $20 millions to the railways' earnings power over the next 12 months, with about half of that amount applicable to this year's returns.

Help C.P.R.'s Revenue

While it is still early to make definite forecasts, indications are that the additional wheat movement and the traffic resulting from the better crop will give Canadian Pacific Railway approximately the same gross operating revenue in 1938 as was the case in 1937. This means that the company will make up the loss of around $6.5 millions in gross operating income registered up to the middle of this month. Naturally, any sharp upswing in business between now and the end of the year would have the effect of putting this estimate on a conservative basis.

Indications are that the company will have much the same revenue as a year ago, despite the decline in traffic to date. This means a net profit in the neighborhood of $9.5 millions, if special income is maintained. On that basis the preferred dividend would be covered with about 30 cents a share left over for the ordinary stock.

May Offset C.N. Loss

Up to the middle of August the Canadian National Railways had lost $15 millions in gross revenue compared with last year. The anticipated increased traffic resulting from the wheat crop will cut down this loss materially, but net revenue before interest on funded debt and Government advances is not likely to be much in excess of $5 millions. This is approximately the same return as in 1937.

While increased operating revenues, resulting from the larger wheat crop, are not expected to enable the railways to do much more this year than make up the losses already recorded, the outlook for 1939 is more encouraging. The carryover of the 1937 crop into 1938 was very small. Next year there should be a comparatively large carryover, which will have a favorable influence on railway operating revenues during the first half of the year.

The Armament Mystery!

Col. George Drew Says Canadians Have a Right to Know What Lies Behind the Bren Machine Gun Contract—Analyzes Opportunity for Profit in Contract Itself and in the Stock Position Behind the Contract

"Canadians have a right to know . . . what lies behind the Bren machine gun contract," Col. George Drew declares in an article in the Sept. 1 issue of Maclean's Magazine under the title: "Canada's Armament Mystery."

The contract was signed on March 31 by the Canadian Government with The John Inglis Co. Ltd., of Toronto, of which Major James E. Hahn is president. The author's statements, an editorial note points out, are based on departmental records as of Aug. 5.

Contracts in exactly similar terms provide for the manufacture of 7,000 Bren machine guns for Canada and 5,000 guns for Great Britain. The total cost of the guns, Col. Drew explains, is expected to be about $8 millions. The Canadian Government pays two thirds and the British Government one third of the cost of installation of all machinery and putting the plant in operation.

The company holding the contract, he says, was organized by Major Hahn and Plaxton & Co., a Toronto legal firm, acting as his solicitors. It obtained a charter on Nov. 23, 1936, for British Canadian Engineering Ltd. On June 4, 1937, consent was given under a court order to use the name of the bankrupt John Inglis Co. Ltd.

On July 1 Hon. Ian Mackenzie, Minister of National Defence, described the Canadian contract as "one of the finest contracts that was ever signed in the public interest of Canada."

Expenses Prior to Contract

Col. Drew points out that the contract provides for payment of all expenses of the company including "a sum not exceeding $20,000" for "preliminary investigation, planning and engineering services carried out prior to the execution" of the contract.

The contract provides for a profit of 10% with an over-all limitation of $457,000. If costs of production are reduced below standard costs to be estimated later, Col. Drew points out, this profit limitation can be overcome as the company receives one quarter of the difference "in addition to its other profits."

While agreements for production on a cost plus basis are not unusual, Col. Drew contends that many of the items on which the 10% profit is allowed are extremely unusual. The Government he says, pays the salaries of all executive officers of The John Inglis Co. It also pays travelling expenses. The company receives as part of its cost plus profit "10% of these salaries and travelling expenses from the date of the signing of the contract."

Other items on which the 10% profit is also to be paid are listed by Col. Drew as legal fees, telephone, telegraph and other office expenses; cost of light, heat and power; of all plant operations (including even the removal of any machinery). "Nothing is forgotten. The Government . . . pays everything and then pays a profit as well to the company of 10% of the amount of these already generous payments."

". . . Even if the contract is cancelled before the company gets into production, the company will receive $43,750. The reason for this generosity is not given."

Col. Drew points out that the company is also to be equipped for the production of Enfield rifles and other small arms. He places Canadian requirements at 200,000 rifles, estimates the cost at $5 millions and adds that "further interesting possibilities of profit are opened to our new armament producers."

Opportunity for Profit

"Even if $457,000 in five years is as small a profit as Mr. Mackenzie thinks it is, that is only the beginning," Col. Drew says. "The greatest opportunity for profit lies in the stock of the company."

The company's charter was obtained in 1936. Its capital consists of 250,000 shares of the par value of $6 each.

The property of the bankrupt boiler company was acquired from the receiver, Col. Drew points out, by Stanley Nurse, office manager of the Toronto stock brokerage firm

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Plaxton Replies

Hugh J. Plaxton, Toronto, M.P., after reading the accompanying digest of Col. George Drew's article on "Canada's Armament Mystery," told The Financial Post:

"I brand this article as nothing more than propaganda promoted by an ambitious Tory politician and which is replete with half-truths, inaccuracies and innuendos.

"In so far as it contains a nasty innuendo with respect to myself—I might add, first, that I am in no way, either directly or indirectly, interested in or connected with The Inglis Company which is located in the constituency which I represent; second, that I resigned from Messrs. Plaxton & Co. on Oct. 12, 1935, due notice of which Drew had as per Articles of Dissolution which were published in the Ontario Gazette of March 14, 1936, in accordance with the Partnership Act, R.S.O. 1937, Chap. 187, Sec. 36 (2)."

Major Hahn, president of The John Inglis Co. Ltd., was out of town and could not be reached for comment on Col. Drew's references to the company.

Hon. Ian Mackenzie, Minister of National Defence, is in British Columbia. In Ottawa defense circles, however, it was pointed out that during the last session Mr. Mackenzie referred to the special nature of the armament contracts. He then indicated his intention of moving at the next session of parliament for a special committee to examine into contracts of this nature.

Sharp Upturn In Newsprint Output Likely

Returns for Last Months of 1938 to Show Improvement

'39 OUTLOOK BETTER

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—By next month or October at the latest the Canadian newsprint industry will be through its private depression of inventories. Production and shipments will then be in direct proportion to consumption, especially in the United States, the industry's largest market.

There is reason to believe at this juncture that the industry's returns for the last three or four months of 1938 will be in sharp contrast to those that have been released to date this year.

The investor in Canadian newsprint securities will have to appraise these returns with care. They will be so much better relatively that they are apt to give rise to overoptimism.

It will not be possible to obtain a clear picture of the industry's position until the beginning of the year when conditions should be normal. Then production and shipments will bear a close relationship to consumption and the latter, in turn, will depend upon the course of business in the United States.

Working off Surplus

It is well known that since the beginning of the year both production and shipments from the Canadian mills have been seriously affected by the piling up of surplus stocks by American publishers during the last half of 1937.

At the beginning of 1938 the American publishers had indicated stocks of 766,758 tons. These were between 380,000 and 400,000 tons greater than actually required by the publishers to meet requirements. The surplus, of course, was bought in anticipation of the previously announced price increase to start with 1938 shipments.

Stocks Distort Picture

For the past seven months the American publishers have been drawing upon these surplus stocks. The result has been a distortion of production and shipments by Canadian mills which supply roughly 60% of the total American newsprint needs.

Canadian shipments to the U. S. publishers naturally have been restricted to the extent that the publishers have drawn upon these stocks. At the same time they have been further restricted by the decline in actual consumption due to the falling off in advertising. This decline has averaged over 12% to date.

Mills Add to Confusion

The situation, too, has been somewhat complicated by the fact that Canadian mills in an effort to hold up production and maintain employment have produced at a rate unwarranted by market demand. Consequently the mills too have a greater than normal supply, which must be liquidated before operations are back on a normal basis.

The publishers' surplus supply has been diminishing steadily over the

(Continued on page 14, col. 5)

Hunt's Ltd. Sales Down

Profit Before Depreciation $8,630 for 28 Weeks Period

Hunt's Ltd., Toronto, reports a profit of $8,630, before depreciation, for the 28-weeks period ending July 17. Sales amounted to $638,974, as compared with $684,861 for the corresponding period in 1937, a decrease of 6.7%.

Sales for the four-weeks period ended August 13 for 28 Toronto stores were 2.4% below sales of 31 stores in the same period in the preceding year.

There has been an improvement in business recently and the spread between sales figures for 1938 and 1937 is said to have narrowed.

An unusual period of sustained warm weather is held responsible for the decline of sales in the current year. Consumption of pastries and candies has declined more than seasonally and is accountable in a large degree for the less favorable showing in the year to date.

The company at the present time is carrying on a programme of renovation to its stores, first of which is the remodelling of two Toronto branches, 2541 Yonge Street, and 1472 Yonge Street.

Working capital of the organization has improved since the end of last year.

Home & Industrial Bldg. Stock Offering Expected

It is believed that a public offering of stock in Home & Industrial Building Products, Ltd., may be made. This company, recently organized by R. E. Haire, former president and managing director of Gypsum, Lime & Alabastine, Canada, obtained its initial capital privately.

Home & Industrial Building Products has been in operation for several months producing its patented washable casein paint, "Nu-Wall."

Lake Dufault Cuts More Ore

Waite-Amulet Neighbor Gets 2nd Rich Hole to South

A deposit of rich smelter-grade ore is indicated by the current drilling programme being carried on at the property of Lake Dufault Mines in the Rouyn area, adjoining Waite-Amulet Mines.

A vertical drill hole, No. 12, put down 100 ft. to the south of hole No. 10 which returned a core length of 45 ft. assaying 8.82% copper with values in zinc and silver, has returned two ore sections. The first section cut in the No. 12 hole represents 22 ft. of medium grade ore, while the second section, 54 ft. in length, is high grade, running perhaps even better grade than the ore in the No. 10 hole.

Drilling has now indicated ore for a length of 400 ft. from north to south. A hole is being put down currently at a point 100 ft. south of the No. 12 hole. The ore body has not been delimited for a distance of 500 ft. in this direction.

Mercantile Insurance Makes Call on Shares

The Mercantile Insurance Company is making a call on its shareholders for payment of $10 a share. This payment will be due October 19 when the 60 days notice required will have elapsed.

Authorized capital of the company is $500,000, of which $250,000 has been subscribed. Up till this call, $175,000 had been paid up and after next October's payment the paid up capital will be $200,000 or 80% of that subscribed. Shares are $100 par.

The Mercantile Insurance is one of the London and Lancashire group of companies. It was formerly known as the Mercantile Fire Insurance Company of Toronto, which was established in 1874 and commenced business in 1875.

Canadian Tube and Steel Deal Reported in the Offing

From Our Own Correspondent

MONTREAL.—Though lacking official confirmation, reports are in circulation to the effect that control of Canadian Tube and Steel Products Ltd. may change hands.

Some months ago an investment banking syndicate comprising W. C. Pitfield & Co. and Wood, Gundy & Co. are known to have made overtures. At one time negotiations were far advanced, but eventually they fell through.

Neither of these companies are said to be involved in the new deal. One report is that another iron and steel operator is interested in acquiring the property. Further it is said that the present deal contemplates an exchange of stock rather than a cash transaction.

Canadian Tube is one of the more important iron and steel operators in the Montreal area. In 1931 Dr. Milton Hersey was elected president, a post which he has held since that time. The company, which also controls Canadian Rolling Mills and Colonial Wire Mfg. Co., has no bonded debt.

Capital set-up of Canadian Tube consists of $1,500,000 of 7% cumulative preferred; 15,000 shares of 7% non-cumulative preferred of the par value of $35 each and 64,000 issued no par value common shares. In 1936 the company paid $4 a share on the senior preferred and $7 a share in 1937. Arrears at the end of 1937 totalled $32.50 a share.

Canadian Tube reported an operating profit last year of $353,922, up from $366,918 the previous year. Net profit available for dividends in 1937 was $162,491, as against $153,471 in 1936. The rise is partially explained by the fact that depreciation reserve was reduced from $150,000 in 1936 to $100,000 in 1937.

Very little information has been made public on operations or earnings. The capital stock is not listed on any of the exchanges. However, there is an over-the-counter market. The first preferred is currently quoted at 65-66; the second preferred, 7.10 and the common at 2½ to 5.

Securities Office Adds a New Ruling

Watching References to Adjoining Properties and Profits

The Ontario Securities Commission has served notice of the following ruling to mining companies applying for registration. The ruling will apply also to advertising:

"When reference is made to an adjoining or other property (or to profits made by an investment in another mining company) suggestions or comparisons shall not be made, nor inferences or conclusions drawn for which there is not supporting evidence and complete justification.

"If such references are based upon surface, subsurface, or geological relationship, the essential data establishing such relationship shall be supplied over the signature of a mining engineer or other competent person who is disinterested.

"If, to indicate location, reference is made to properties not adjoining but located in the same district, the distance separating them from the issuer's property shall be stated."

Motor Show Late: New Cars Early

While the National Motor Show is going to be much later than usual this year, the new 1939 model cars promise to be earlier. The show is scheduled for Toronto, Nov. 26-Dec. 3, or exactly three weeks later than in 1937. New models on the other hand are already on the way with the first Chryslers previewed by newspapermen in Detroit last week. It is understood that preparations are now under way in Canadian factories for the switch over to the 1939 lines.

Some time ago when the date of the motor show was fixed there was a strong possibility that the new models would be delayed. Then new car sales were draggy and manufacturers were anxious to get accumulated production of the 1938 line out of the way before introducing something new. Now in United States particularly, it is reported, the sales situation has so improved that there is actually a shortage of some current year models.

New U. S. Trade Pact Ready in September?

Negotiations Believed to be Practically Concluded

From Our Own Correspondent

OTTAWA.—Trade negotiations at Washington are now practically concluded, it is believed, although ironing out of final details may take a few more weeks. It is confidently expected that formal signing of the new agreements—there is one between United States and the United Kingdom as well as between United States and Canada—will take place next month.

Like its predecessor of 1936 which expires Jan. 1, 1939, this new trade agreement between Ottawa and Washington will probably not become operative until approval by parliament. The previous agreement, it will be recalled, was announced well in advance of the time it went into force.

Widen U. S. Market

Details are still closely guarded, but it is assumed that Canada will secure further trade concessions from United States along the lines of the 1936 agreement. That pact opened the American market to Canadian cattle and some other agricultural products, and guaranteed continued free entry of newsprint, shingles and certain minerals. Many of the items admitted, however, were restricted to a quota. It is expected that these quotas may be widened, and in addition restrictions reduced on other natural products such as base metals, fish and lumber. It is possible also that duties on meats may be lowered.

Canadian Concessions

In return Canada has probably agreed also to increase the trade concessions made in the 1936 agreement, widening the market in this country for American fruits and vegetables, and easing restrictions on manufactured products of a kind not made in Canada. There may be further concessions on cotton textile products.

Empire Preference Goes

Canadians will probably be vitally interested in some of the United Kingdom concessions to United States, because of the protected market in the Old Land afforded the Dominions by the Ottawa Agreements. It is believed that some of the preferences under these agreements will now be widened to include United States. That country has been pressing for easier entry of its natural and agricultural products, particularly fruits, fresh, dried and canned, pork and pork products, wheat, corn and other grains, and lumber. In all of these lines Canada is interested. They are not as directly competitive, however, as would appear. American fruits, for instance, are usually earlier and often of a different type entirely from those produced in Canada, while Canadian bacon and hard wheat have consistently sold at a premium over American.

Rumor Change For Smelters

From Our Own Correspondent

VANCOUVER. — Renewed rumor here has it that President J. J. Warren of Consolidated Smelter and W. M. Archibald, vice-president in charge of mines, are about to retire.

Reports of this type have been recurrent for many months. Officials are silent.

Brewers & Distillers Net Lower in First Half of Year

Brewers & Distillers, of Vancouver, B.C., had consolidated net profit of $186,605 in the six months ended June 30, 1938, compared with $281,864 in the first half of 1937. The 1938 profit is after deducting $84,371 for depreciation and $87,375 for income taxes, and is equivalent to 32 cents a share on the 577,737 8/10 common shares outstanding against 49 cents a share for the 1937 period.

Cash on hand was $1,017,680 at June 30. This compares with $1,531,725 at the end of 1937.

W. F. Stewart Retires From Dominion Stores

W. F. Stewart has resigned as vice-president and director of Dominion Stores, it has been announced. Mr. Stewart has been with the company since its formation in 1919 and had been vice-president and general manager up to the end of 1937. At that time several executive changes were announced, including the appointment of J. W. Horsey as executive vice-president in charge of operations.

Tip Top Sales Profits Down

Half Year's Figures Down, But Business Turning Upward

Sales and profits of Tip Top Tailors, in line with most Canadian industries, were down for the first six months of the current year as compared with the previous year.

During the month of July, however, business took a decided upturn and is now approaching the levels of the previous year. It is expected that if the present rate of improvement is maintained, earnings will be approximately the same as those of 1937. Prospects for fall business are considered very good.

Prices of materials, down in the first half of the year are rising, but labor costs remain the same as in the preceding year.

The manufacture of ladies' garments, inaugurated in 1935, has been growing steadily and sales in 1938 to date are better than for the same period in 1937.

Net profit in the year ended Dec. 31, 1937, was the highest since 1929, amounting to $282,715, as compared with $157,058 in 1936. Earnings per share on the preferred stock were $26.84, and $1.70 on the common stock in 1937, as against $13.14 and 59 cents, respectively, in 1936.

National Light Earnings

National Light & Power Co., Moose Jaw, had operating earnings of $307,592 in the seven months ended July 31, 1938, against $299,162 in the corresponding period of 1937. After expenses and depreciation, the balance available for bond interest was $123,806 for the 1938 period and $116,244 for 1937. First mortgage bond interest of $72,298 was earned 1.71 times after depreciation in the first seven months of 1938 and 1.61 times in 1937.

Highlights of the Week

Inactive stock markets of the past week have given little indication of the immediate direction of shares prices. Market commentators in the United States and Great Britain, however, see clues to probable direction of prices.
Market Opinion—p. 4.

* * *

Better business prospects in Canada point to improved profits for Canadian chartered banks. Expansion in trade and industry should be accompanied by expansion in commercial loans. This in itself without any change in interest rates would help the banks materially.
Earnings Prospects of Banks—p. 11

* * *

What the noise is about. At the tail end of the last session of parliament an amendment was slipped through the House amending the income tax. Effect of the change is probably felt most directly by the mining industry. The Financial Post goes to the bottom of the issue, clearing away the legal jargon and the technicalities of the conflict.
The Mine Tax Conflict—p. 13.

* * *

If Empire wheat preference of six cents a bushel is abandoned in impending American-Anglo trade agreement there may follow important adjustments in export grain routes and prices in Canada. Previous heavy shipments of Canadian grain via Buffalo and New York may be resumed to disadvantage of eastern terminal elevators in Canada.
Week in Wheat—p. 9.

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Canada's Tariff System is not popular outside of Ontario and Quebec. Some interesting representations regarding the feeling of the Maritime provinces and the West on the tariff were made before the Rowell Commission.
West, East and Tariffs—p. 3.

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Paving Firm Results Better

Standard Paving Pref. Dividend Still Distant—Earnings Up

While it is still too early to obtain an accurate estimate of what the current year's business is likely to bring in the way of profits, it is understood that Standard Paving & Materials outlook at present is for improvement over the year ended March 31, 1938. For that year, a net profit of $139,370 was shown, first time since 1932 that the company has been able to report earnings available for its stock. Volume of business booked for the paving company is better this year and it is expected that this betterment will continue. The company is right now in the midst of its busiest season and it will be a few months yet before it will be known definitely what the results will be.

In spite of the prospects for a better year, in the current period following a nice improvement shown last year, it is not believed that dividends on the 7% preferred stock are likely for some time yet. No payments have been made on this stock since Nov., 1932, and arrears were $40 a share at March 31, 1938. Further improvement in earnings and financial position is needed but a continuation of the trend of last year and this year brings some payment closer.

The company's subsidiary, Consolidated Sand and Gravel, does not look for quite as good a year as it experienced in the 12 months ended March 31, 1938, when the $7 a share dividend on the latter company's preferred was covered more than twice. Consolidated Sand and Gravel resumed dividends on its preferred last December with a payment of $7 a share and has another [illegible] a share on Aug. 15 this year. Arrears still remain at $33 a share.

Stock of Standard Paving and Materials, which has been listed on the curb section of the Toronto Stock Exchange, is being transferred to the regularly listed section. The listing covers 13,105 shares of 7% cumulative preferred stock and 104,832 no par value common shares.

MEN'S SHOP

Say "*English*" Topcoats
and the answer is
BURBERRY

Every Fall finds the Burberry Topcoat taking its place in the wardrobes of more and more well-dressed men. As a masculine style centre dealing only with more distinctive imported and domestic apparel, the Men's Shop is proud to have introduced this distinguished English Topcoat to so many of its patrons. The Burberrys for Fall await your inspection. From $45.00 to $65.00.

Free Parking While Shopping

MEN'S SHOP
BAY STREET SECTION
EATON'S-COLLEGE STREET

The Nation's Business

(Continued from page 1)

make alone and unguided by his technical advisers.

* * *

Mining's Place In Political Sun

THE WINDSOR STAR has done a spectacular bit of political arithmetic by adding up news items of recent months and years to get what it believes is the real answer to "The Battle for Political Power in Canada."

It believes the battle has now been thrown into the open by the announcement of Premier Hepburn that Ontario will wash its hands of the Rowell Commission because of a reputed breach of faith by the King Government. The supposed breach of faith is the imposition of additional taxation on mining profits before the Rowell Commission findings have been brought down.

This is interpreted as bringing into the open the fact that a new political alignment is in the making. The "mining interests" are said to be on one side and on the other, the "former sweeteners of political pots representing various industries."

Messrs. Hepburn, Duplessis, Manion, Wesley Gordon and Dr. Robb are seen as supporting the mining fraternity.

* * *

CERTAINLY mining has become a major influence in the industrial and economic life of Canada. It may be expected to play an increasingly important part in the political arena as well.

But two and two do not often make six or seven in politics.

The mere fact that astute leaders such as Hepburn, Duplessis and Manion have seen fit to stand up for the mining industry does not automatically make them political bedfellows.

* * *

The U. S. Threat of Wheat Dumping

IT IS to be hoped that the opposition of Cordell Hull, Secretary of State, will result in killing the proposal of Henry Wallace, Secretary of Agriculture, to subsidize the export of some 100 million bushels of wheat during the current crop year.

Dumping of that sort is highly demoralizing to the economic structure of the world. Mr. Hull, who is devoting earnest efforts to an improvement in international trade, knows that well. Mr. Wallace doubtless also knows it, but his attention is probably taken up with his domestic difficulties and the failure of New Deal plans for keeping up wheat and other prices in order that farmers may enjoy "parity income."

In spite of the failure of all price-supporting plans in the past 10 years, Mr. Wallace appears to be looking for some other expedient.

* * *

UNDER other circumstances Canada might have addressed a strong protest to the United States against proposals for subsidized wheat dumping that would demoralize markets. But Canada's position is a delicate one, since the Canadian Government is subsidizing, if not the export, at least the production of wheat through its Wheat Board, and is buying wheat from farmers to be sold for export at a loss.

Canadians may draw a distinction between our action and that suggested for the United States, but it might be hard to persuade other countries of a difference.

* * *

Canada Must Reject Wheat Quota Plan

ANOTHER and a more serious embarrassment arises from another proposal of Mr. Wallace's—that Canada and the United States, without reference to other countries, might agree on wheat export quotas from the North American continent, in order to assist that country in maintaining what is described as its fair share of the world's wheat export market.

Such a step would be more than dangerous. It would be highly damaging to Canadian interests.

Driving customers, as it would inevitably do, to seek other sources of supply and limit still further their consumption of wheat, interfering with Canada's efforts to recover a position in the world's wheat markets, which is vital to this country, such a proposal must be rejected.

Even the temptation to give a nominal adherence, by agreeing to export no more than 200 million bushels or so, which is probably all that Canada will have available for export, must be avoided.

* * *

IT MUST be avoided for two reasons. One arises out of the inevitable repercussions abroad, and the ill-will it would engender among customers. The other arises from the fact that any concurrence by Canada in a theory that the United States is "entitled" to a certain export quota would give color of excuse for that country subsidizing exports. That actually occurred under the London Wheat Agreement, and added to the demoralization of international markets which existed at that time.

Anxious as Canada is to be a good neighbor to the United States, intensified as such feeling is by the recent utterances of President Roosevelt, important as the pending trade agreement is to this country, vulnerable as is the present position of the Canadian Government as the world's greatest trader in wheat, this country must decline to be associated with Mr. Wallace's scheme.

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Oriole Mines plans special meeting to discuss future development and to arrange funds, officials state. Programme of 3,100 ft. of check drilling is recommended and if satisfactory, underground exploration to 500 ft. is proposed. This should not be carried out without $100,000 to $150,000 in the treasury or definitely committed, it is stated.

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Canadians Buy Less Newsprint

From Our Own Correspondent

MONTREAL.—Canadian newspapers purchased 34.6% less newsprint in the first seven months of 1938 than in the like period of 1937. To the end of July mills shipped to the publishers 78,054 tons, as against 119,277 tons a year ago. Monthly returns for 1938, with comparative figures for 1937, follow:

	1938	1937
January	9,926	15,331
February	9,453	14,965
March	12,286	20,384
April	13,306	16,542
May	15,007	18,637
June	15,164	15,659
July	12,912	17,759
7 mos. total	78,054	119,277

Halifax Cargo Tonnage Slumps for Past Month

From Our Own Correspondent

MONTREAL.—Cargo tonnage passing through the port of Halifax in July was on a smaller basis than a year ago. Inward cargo totalled 71,128 tons, down from 107,144 tons a year ago.

Export movement was 66,264 tons or practically the same as a year ago, when 67,690 tons moved outward.

For the first seven months of 1938 the import cargo totalled 631,557 tons, compared with 7[illegible]6,162 tons for the same period in 1937. The outward movement this year amounted to 559,869 tons, a decline from the 640,193 tons reported last year.

Buffalo Shepmac Gold Mines filed amended registration with SEC at Washington on Aug. 6.

Railways Report Decline In Pulpwood Carloadings

From Our Own Correspondent

MONTREAL.—Canadian Railways report that carloadings of pulpwood recorded a further decline in the week ended Aug. 13 as compared with the same period a year ago. The loadings of pulp and paper products show comparatively little change.

Particulars of the current and cumulative returns this year, together with comparative figures for the previous year, follow:

Pulpwood Carloadings	
Week ended Aug. 13, 1938	1,277
Week ended Aug. 14, 1937	1,688
Year to Date	
1938	62,838
1937	54,664
1936	40,510
Pulp and Paper Carloadings	
Week ended Aug. 13, 1938	1,564
Week ended Aug. 14, 1937	2,327
Year to Date	
1938	54,430
1937	85,612
1936	70,502

Inter. Paper Sales Co. Takes Out Quebec Charter

From Our Own Correspondent

MONTREAL.—International Paper Sales Co. Inc. has been incorporated under Quebec charter, with a capitalization of $1 million divided into 10,000 shares of a par value of $100 each.

The same indicates the purpose of the new company, which is a subsidiary of Canadian International Paper Co.

Saint John Civic Power Report Consumption Up

From Our Own Correspondent

MONTREAL.—Saint John Power Commission reports an increase of 4.9% in kilowatt hour consumption for the seven months period ended July 1. Consumption for the past month showed an increase of 4.5% over the corresponding months of last year.

SALES PROMOTION

Appointment of Morris J. McHenry as director of a new sales promotion department has been announced by Ontario Hydro. Mr. McHenry has been district manager in Toronto for Canadian General Electric Co. since 1930.

The Armament Mystery!

(Continued from page 1)

of Cameron, Pointon & Merritt. The consideration shown as payable to him was $100,058 in cash, the assumption by the company of an existing first mortgage for $150,000, and 191,662 shares of stock out of the total capitalization of 250,000 shares.

"The shares were not issued to Mr. Nurse. On April 26, 1938, he instructed John Inglis Co. Ltd. to issue the entire block to a company known as Investment Reserves Ltd. The remaining shares, other than the five shares issued to the original directors, were allotted to another company, Anglo Engineering Co. Ltd. Of the 58,333 shares allotted to the latter company, however, 25,000 were issued under their instructions to the firm of Cameron, Pointon & Merritt.

Major Hahn is shown by the company's prospectus as holding 107,964 shares which appear to be part of the block issued to Investment Reserves, Ltd., so that the stock position on April 26, 1938, would be:

	Shares
Major James E. Hahn	107,964
Investment Reserves Limited	83,698
Anglo Engineering Co. Ltd.	33,333
Cameron, Pointon & Merritt	25,000
Original incorporators	5

Of these shares cash has been paid or is payable for those in the hands of Anglo Engineering Co. Ltd.; Cameron, Pointon & Merritt, and the holders of the five shares issued to the original incorporators.

Directors' Holdings

According to a prospectus dated June 7, Major Hahn with his 107,954 shares is the only director holding more than one share of stock. Of the other directors A. L. Ainsworth and W. R. McLachlan, were previously associated with Major Hahn in radio manufacturing. The other four directors are employees of Plaxton & Co.

Directors of Investment Reserves Ltd., holding such a large block of stock, were also employees of Plaxton & Co.

Col. Drew cites a departmental declaration of June 27, 1938, giving the head office of Anglo Engineering, holder of a large block of John Inglis shares as the office of Cameron, Pointon and Merritt. Directors of this company were also employees of the solicitors, Plaxton & Co.

"Cameron, Pointon & Merritt are at present selling this stock to the public at $7 a share." (Last week The Financial Post reported this stock selling at $7.50 a share.) "As there is a provision in the contract that the license of the John Inglis Co. Ltd. will be cancelled if any such sale takes place without the consent of the Minister of National Defence, he must be fully informed of all the facts regarding these companies.

Position of M.P.

"Section Fifteen of the contract reads as follows: 'No member of the Senate or the House of Commons of Canada, or of the Parliament of the United Kingdom shall be admitted to any share or part of this contract or to any benefit to arise therefrom.'

"In view of this clear prohibition the public has a right to know what the position of Mr. Hugh Plaxton, M.P., is in the suite of offices occupied by Plaxton & Co. at 1207 Canada Permanent Building, Toronto. The Canadian Law List for 1937 showed Mr. Hugh Plaxton as a partner in the firm of Plaxton & Co. The Canadian Law List for 1938 does not include his name as a member of the firm, but gives his name separately. His office, however, is still at 1207 Canada Permanent Building. He still occupies an office in the suite of offices of Plaxton & Co. in which all the partners are his brothers.

"According to a sworn return to the Ontario Provincial Secretary, this is also still the address of Winnifred M. Woodburn, described as 'chief officer or manager in this province (Ontario)' of both Investment Reserves Ltd. and Anglo Engineering Co., which, according to departmental records, hold between them nearly half of the stock of John Inglis Co. Ltd. Having regard to the public nature of this contract, the public has a right to know exactly what Mr. Hugh Plaxton's present position is in relation to Plaxton & Co., and what his connection with this firm has been at all times since 1936, when the negotiations began which have resulted in this extremely profitable contract. The Canadian Law List shows him as a partner in this firm at the time the preliminary negotiations took place in 1936 and 1937, and at the time John Inglis Co. Ltd. was incorporated."

Personal Profits?

Dealing with the question of profits, Col. Drew asks: "What of the personal profit to Major Hahn?"

"If the price at which the stock is being sold is its true present value, then Major Hahn holds stocks worth $775,748. . . . Without attempting to estimate its possible value, Major Hahn holds stock worth a very considerable fortune. That is a profit which comes only from a national necessity and the opinion of the Minister of National Defence that Major Hahn is the man to meet that necessity.

"And we must not forget that it is also going to be an extremely profitable contract to Investment Reserves Ltd. which holds 83,698 shares. Another fortune can go to the company whose directors are in the Plaxton office.

". . . . For what consideration then do Major Hahn and Investment Reserves Limited hold stock which at $7 a share has a value of $1,341,634. With any sort of market activity, resulting from further Government business which is implied by the contract itself, this stock might easily have a value of many millions of dollars.

Questions Asked

Col. George Drew asks Premier Mackenzie King to answer a number of questions:

What were the arrangements with Major Hahn or his company which called for a payment of up to $20,000 for services rendered before the signing of the Bren gun contract?

For what consideration did Major Hahn receive 107,964 shares of stock in a company which is now dependent upon public money for its present existence and ultimate profits?

Who owns the shares issued to Investment Reserves Ltd.?

Who are the shareholders and real directors of Investment Reserves Ltd.?

Who owns the shares issued to Anglo Engineering Ltd.?

Who are the shareholders and real directors of Anglo Engineering Ltd.?

What did Anglo Engineering Ltd. pay for the stock it received from John Inglis Co. Ltd.?

How does the Government explain the fact that four of the seven directors of this enterprise are employees in the office of Plaxton & Co.?

What is the position of Mr. Hugh Plaxton, M.P., in the office of Plaxton & Co., and what has it been at all times since Plaxton & Co. began acting for the armament company which now has the contract?

What steps, if any, are being taken to prevent speculation in the stock of John Inglis Co. Ltd. based on the expectation of profitable Government contracts?

Why did the Government move all its own machinery available for the making of rifles and machine guns from Valcartier to Toronto, instead of using it in a government arsenal as originally planned?

What are the salaries of Major Hahn and the other executive officers, and for how long are they to be paid by the Government?

I.A.C. Business Up 12½% to June

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp.'s volume of business for the first six months of this year showed an increase of 12½% compared with the corresponding period a year ago.

These improved results have been obtained in the face of a smaller amount of automobile business and are due largely to the fact that dealer commissions have been substantially increased.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Town of Val d'Or, P.Q.	Aug.	R. M. Rainville & Co.	5%	1953	$400,000	*	.....
Village of Cobden, Ont.	Aug.	J. L. Graham & Co.	4%	....	22,000	....	.....

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Upon request, one of our representatives will call on you without obligation to you.

James Talcott of Canada, Limited
Factors
1470 PEEL ST. MONTREAL

No Bids Received

The Hydro-Electric Power Commission of Ontario will continue to operate the Hamilton Street Railway. When the time expired for receiving bids for the property as recently advertised, none had been received. The railway was acquired by the Hydro Commission in 1931 as part of the properties purchased from the Dominion Power & Transmission Co.

SIMPSON'S — The Store for Men

Going Places This Fall?

Young executives who are definitely "going places" this Fall will appreciate a new suit or two individually tailored-to-measure at SIMPSON'S. Almost every day, The Store for Men is receiving advance Fall shipments of new British woollens. Why not drop in and look over the scores of rich Fall shades and new patterns? The suitings you select will be carefully hand-cut and tailored-to-measure almost entirely by hand — in any of the new styles you prefer. SECOND FLOOR

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SUITS $35 to $45

Senior executives will find interesting selections of fine Old Country woollens in the Custom Tailoring Shop. Custom-tailored-to-your-order, from $65 up.

Simpson's

Rowell Commission — No. 3

West, East and Tariffs

Prairies and Maritimes Seek Compensation For Disabilities

By NORMAN A. WHITE
Staff Writer, The Financial Post

Canada's tariff system is not popular outside of Ontario and Quebec. At least, that is the impression one gathers from evidence submitted to the Rowell Commission.

Six of the provincial governments bombarded the tariff in appearing before the Commission, and it would have been seven if Alberta had not refused to make a submission. In fact, the discussion of the tariff formed a very large part of the submissions in western Canada and in the Maritimes.

The West has always been discontented with the federal tariff policy and the Maritimes to a lesser degree. However, few people, even its critics, realized it was responsible for as many disabilities as are now claimed.

The tariff has been blamed for so many things that one wonders how it came into being. The West will probably reply that Ontario and Quebec dominate Ottawa. One, however, cannot overlook the fact that even western Canada has voted for tariffs at times and has often sought protection of one kind or another.

Has Lowered Taxable Capacity

According to the arguments presented to the commission, Ontario and Quebec have received almost all the benefits of the tariff. In fact, centralization of industry and concentration of wealth in Ontario and Quebec are blamed on the tariff. As for other parts of the country, the tariff has retarded their development. At least, this is what they claim. Both the West and the Maritimes say it has lowered their taxable capacity by impoverishing the people. Western Canada in particular objects to having to pay a higher price for its goods while it sells its products for the most part in world markets.

Like the Canadian Manufacturers' Association, most people will admit the tariff is a burden on the primary producer.

As for centralization of industry and concentration of wealth in Ontario and Quebec, a number of fundamental factors were overlooked. Even if Canada had had only a revenue tariff, Ontario and Quebec would have been the industrial centres. In the first place, both provinces are rich in natural resources and have an enormous supply of cheap power. Then, again, their geographical position in relation to markets make them the logical site for industrial plants. In view of these facts and the trend toward large scale production it is not surprising they dominate the manufacturing industry of Canada.

The Maritimes and western Canada used the tariff argument for two purposes. In seeking additional federal assistance on the basis of fiscal need the tariff was charged with being the most important disability causing this need. In addition, compensation was sought for disabilities arising out of tariff policy.

Question of Compensation

There is the question whether any claim for compensation arising out of federal policies should be permitted. In the first place, despite the efforts of some of the provinces, it is almost impossible to measure in dollars and cents the effects of any particular federal policy. As evidence taken by the commission shows it would be difficult to find two economists who would agree.

This is not the only reason why it is difficult to accept the principle of compensation for disability. As the Ontario Government pointed out, tariff policy cannot be isolated from other policy. Government policy in any particular regard is inseparately bound up in policy as a whole. Tariff policy may benefit Ontario and Quebec, but there are other trade policies which work to the advantage of other sections of the country. The West benefits from the cheapest freight rate in the world on grain. The Maritimes benefit from freight rate subsidies and coal subventions. These are only a few of the factors which would have to be considered. The net effect on each section of the country would be difficult to ascertain.

To accept the principle of compensation for disability would probably have a serious effect on the whole system of public finance in Canada. There would be no end to claims and counter claims. If the Maritimes and the West were compensated for tariff burdens Ontario and Quebec could claim compensation for other policies.

Actually, there is little possibility of the Rowell Commission accepting the compensating theory. In putting so much stress on the tariff provincial governments appear to have been laboring under a misconception as to the scope of the enquiry. From the very outset the commission made it clear it had no authority to pass judgment on federal policies. For this reason it can be taken for granted its report will have little to say as regards the tariff. Certainly, it will not recommend a change in tariff policy.

Australian Experience

As regards the claim for compensation it is interesting to note the Australian experience. Like Canada, Australia is a federation. There, also, claims of compensation because of the effect of the tariff have been made. The Australian Grants Commission, after prolonged study of claims of tariff disabilities by certain states, concluded a tariff policy probably did impose uneven burdens. However, it asserted the tariff policy is only one aspect of federal policy and that federal policy must be considered as a whole. In its final conclusion, it rejected entirely the principle of compensating for disabilities arising out of any particular federal policy or the federal policy as a whole.

Would Enlarge Protective System

One of the peculiar aspects of the situation is that while the West and the Maritimes attack the tariff in one breath, they seek enlargement of the protective system in the next. Each of the Maritime and western provinces, in addition to seeking fiscal aid from the Dominion, asked the commission to recommend policies from which they would derive particular benefit and which would mean greater protectionism in Canada. In other words, protection is merely a bad thing if it happens to affect you adversely. If it helps one, there is nothing wrong with it.

For instance, the West has low freight rates on grain. The Maritimes have uneconomic freight rates in relation to costs. Yet, both would like lower rates even though Canada's railway problem would be accentuated thereby.

This is one aspect of the situation to which the Dominion Government will have to give serious consideration. With each section of the country considering only its peculiar problems there is growing up in Canada a demand for a protective system, which, if permitted to develop, will have serious results.

One phase is the recent action of the Dominion Government in setting a minimum price for wheat. One of the arguments used by the West in seeking this minimum was the principle of compensation for the tariff. At the moment there is developing a demand on the part of Nova Scotia fishermen for a minimum price for their product. Other demands may develop.

Newsprint Stocks Lowered in July

MONTREAL — Consumption of newsprint paper during July by the 431 newspapers reporting to the American Newspaper Publishers Association amounted to 201,841 tons, as against 226,588 tons during July, 1937, a decrease of 10.9%. This represents an improvement over the previous month when the decline in consumption amounted to over 16% as against last year.

The reporting members had stocks on hand at July 31 amounting to 343,633 tons, equivalent to 52 days supply. This represents a decline of only 6,100 tons from that reported in the previous month.

The indicated total American stocks of newsprint on hand at the end of July was 429,541 tons. Added to this were the manufacturers' stocks of 201,839, making a total North American supply of 631,380 tons. At the end of the previous month aggregate stocks totalled 648,380 tons, and at the close of July, 1937, 589,497 tons.

Turner Valley Detail Shown At Exhibition

Imperial Oil Exhibit Shows Models of Wells and Drills

Fly oil, etcher's wax and half a dozen other kinds of wax, sulphuric acid and gasoline, asphalt and lighthouse oil—they all come from the same place, a hole in the ground often more than a mile deep.

Oil, the black golconda, is one of man's most relentless quests.

How it happens and part of the answer why, how it is trapped and the gamut it runs from prehistoric depths to the engine of a motor car, the fuel of the generation, are told by Imperial Oil Co. Ltd. in its display at this year's Canadian National Exhibition opening at Toronto this week.

Mystery of Oil Explained

Converting high scientific theory into concrete models and into working machines, the mystery of oil is made as plain as human ingenuity and scientific skill can make it.

Built at a cost of tens of thousands of dollars for the Century of Progress Fair at Chicago, this exhibit gives the Exhibition visitor who has or will invest in Alberta oil issues a plain and dramatic view of where his money goes, how his profits come.

Another tableau, with the scientific data based on drilling records secured by Imperial Oil in Turner Valley operations, shows one phase of Turner Valley operations against a snow-covered landscape. The lights change and the tragic wasteful gas flares light up the scene.

A Mile Down

In a block of "rock" a yard square, the exhibit shows what a mile down of oil field structure looks like. It shows the folding, explains how the oil is trapped by the action of the earth's crust in reservoirs of great wealth.

An actual time bomb for "blowing" oil wells is there in cross section. One typical "bomb" is called the Bolshevik. The parachute leader, the compartment for the high explosive, the detonator, the stop watch used only once before being blown to bits are clearly shown and explained.

A cementer, the ingenious tool which encases the interior of certain parts of a drill hole with concrete is sliced in two and explained.

There are oil well drills, scale models, operating. One is the new rotary rig, another shows the older method with the swinging beam. There is a "Christmas tree."

And a few statistics to show visitors what the oil business means in modern economic life.

In 1936 world production of oil was 1,798,157,000 barrels.

Of that amount, United States produced over 61%.

Since 1859, 20,000 million barrels of oil have been produced.

Since 1859 over 1,000,000 wells have been drilled in Canada and United States and now there are more than 300,000 producing wells.

Deadlock on the Seaway

(Continued from page 1)

at a political picnic near Toronto. He said his administration would endeavor "to carry on the discussion of such questions, whether with the Government of the United States or the Government of a Province of Canada, in a manner befitting the importance of the issues at stake, and according with the wishes of the Canadian people as to how public business could be conducted."

It is believed that the deadlock between Mr. Roosevelt's eagerness to get the project going and Mr. Hepburn's refusal to commit Ontario to its share of the cost of the power has been merely intensified and possibly rendered permanent by the events of this week.

The deadlock, it is suggested by independent political observers, is not likely to be broken until either Mr. Hepburn or Mr. Roosevelt, or both of them, passes from the active political scene.

Background of Squabble

Immediate background of the current controversy is the letter sent by Washington to Ottawa last spring urging a new and revised treaty. In that letter Mr. Roosevelt (speaking through Secretary of State Hull) baited the seaway hook with additional concessions that put the project in more promising terms as far as Canada was concerned.

He proposed that the two nations immediately consummate a treaty providing for completion of the 27-ft. seaway in the international section of the St. Lawrence River. He suggested development of the U. S. share (1,100,000 h.p.) of the power at once.

Canada would be given until 1949 to consummate its share of the 27-ft. waterway (in the Canadian stretches of the St. Lawrence River and the Welland Canal. Ontario would be allowed an indefinite period in which to put in generators and other power developing apparatus to use the power capable of being developed on the Canadian side of the river.

Big Saving to Canada

The saving in dollars and cents to both Canada and Ontario would be very great. Not only would Canada save until 1949 the interest charges and maintenance cost on the Canadian section of the seaway but Ontario would save the interest-during-construction charges on the power dams and power plants. The net effect might easily be to save Ontario upward of $30 millions of the $120 millions the St. Lawrence River power project promised to cost the province.

Other concessions offered Canada were a promise to correct the evils of the Chicago diversion and to permit the Ogoki diversion north of Lake Superior; and an undertaking to permit Ontario to export surplus power at once to the United States.

Hepburn Fearful of Depression

The real basis of Mr. Hepburn's opposition is said to be his earnest conviction that the world is heading into economic crisis as a result of costly rearmament programmes and a succession of undeclared wars in Europe and the Far East. He holds the view that factories on this continent will find themselves running on short time before many years have passed; that Ontario's power supply will be not only adequate but embarrassingly large and that to add to that supply would subject the province to the danger of bankruptcy.

Mr. Hepburn's views on the world economic outlook were expressed in a letter he wrote to Mr. King in November last when he said:

"In my judgment the purchasing power of European and Asiatic countries will collapse with the continued dissipation of gold reserves for armament purposes and this Continent will, as a consequence, witness an era of depression comparable with the one through which we have just passed."

Hydro Believed Favorable

There is reason to believe that in his estimates of Ontario's future power needs Mr. Hepburn is in direct conflict with officers and engineers of the Ontario Hydro-Electric Power Commission. The latter have not issued any recent estimates but they are understood to believe that by 1944-45 Ontario's potential power supplies (present developments plus Quebec commitments) will be used up. As St. Lawrence power would not in any event be available for some years the province faces a potential period of acute power shortage.

Asked for their advice, Hydro engineers would probably urge the treaty and an early development of the project. But they are not likely to be asked for their advice. The decisions will no doubt be made by Mr. Hepburn who sees nothing but ruin for Ontario if the colossal capital investment involved in the water and power project is made by the province.

Better Deal For Ontario

The opinion is expressed that Ontario could now arrange to get St. Lawrence Power on much cheaper terms than it envisaged six years ago when ex-Premier Henry agreed to the proffered terms of Ottawa. Thus the new offer relieves Ontario of a large part of the interests cost on construction. It is also likely that the Dominion would agree to a new contract for the division of the power-seaway costs.

In the former deal the power plants (to be owned by Ontario) were to be assessed 70% of the cost of joint power-navigation works. It is thought that the Dominion might now consent to a 50-50 division.

Formerly Ontario undertook to pay $37 millions for power superstructures; $67 millions toward canals, etc.; plus $15 millions for interest during construction. Under the new plan the interest during construction would be reduced to a very small figure as the United States would pay almost the entire cost of the international development and Ontario would not have to build its power superstructures until it wanted the power. Readjustment of the cost of joint works would probably save Ontario in capital cost at least another $15 millions. Thus Ontario could count on getting 1,100,000 h.p. developed as it needed it, for a capital cost of around $80 to $85 millions. The suggestion is this would produce power at an annual cost of between $7 and $8 per h.p.

Figures Not Reliable

All the figures are, of course, subject to a new engineering survey and cost estimate, as the figures at present used in calculating the needed investment in the development are based upon engineering estimates that make use of 1926 figures.

In addition to the investment that Ontario would have to make ultimately in St. Lawrence power, the Dominion would have to commit itself to considerable additional expenditures on account of navigation.

The Dominion Government is given credit for its expenditures to date on the Welland Canal. The net cost to Ottawa under the 1932 plan was to have been $38 millions, exclusive of interest during construction, flooding damage claims, etc. Without a new engineering survey and a new allocation of costs on the 1938 plan, no one can say what the project would now cost the Dominion Government.

The revised United States offer would have the effect of reducing interest charges payable by the Dominion, but on the other hand, the Dominion is faced with the necessity of rewriting its contracts with Ontario and probably paying a higher percentage of the works erected jointly for power and navigation purposes.

The amount of employment created in Canada is ostensibly greater than the Canadian share of the development because in addition to Canadian expenditures the United States agrees to spend $55 millions of its investment on Canadian materials and wages. This clause which appeared in the 1932 treaty was one of the chief arguments used to defeat the proposal in the U. S. Senate.

Dosco's Output Lower Last Month

From Our Own Correspondent

MONTREAL. — Operations of Dominion Steel and Coal Corp.'s Sydney steel mill slowed down in July. This may be seasonal only, as the Ontario mills reported a similar condition. Production by Dosco amounted to 13,000 tons of pig iron, compared with 19,000 tons in the previous month and with 26,000 tons in July, 1937.

For the first seven months of 1938 Dosco produced 170,000 tons of pig iron. This contrasts with 190,000 tons for the same period in 1937.

A Voice from the Maritimes

Maritimes and the West

Certain Instinctive Sympathy Found Between Geographical Extremes

By HERBERT L. STEWART

H. L. STEWART

Recently, in this column, I wrote about Nova Scotia coal mines, and the chance to consolidate Confederation by apportionment to them of a definite annual share of Canada's custom for soft coal. Immediately after writing that letter I was on a visit to the West, and there I found myself sharply challenged.

"Why not put in a like word for our mines in Alberta? It is the same principle. In all conscience Confederation needs to be consolidated here too. Don't you agree that West and Far East are in the same boat?"

Taking me on a tour of inspection to the Turner Valley oil wells, a friend did not fail to drive home this moral. One hears it, under varying forms, in Manitoba, in Saskatchewan, in Alberta.

Alberta's Coal Problem

Pressing my companion for details about the proportion of Canada's order in soft coal which he thought should in fairness be assigned to Alberta, I found that his estimate was very high indeed, and the reason he gave was singular.

To my protest, "But your coal is not of quality anything like as good as ours in Nova Scotia, and it is more difficult of access," I got the reply, "All the more reason why we should be helped! To cement Confederation, don't you know?"

My western friend wanted to know why Nova Scotian coal should have "subventions," why we should enjoy preferential freight rates, why inducements should be applied (at somebody's cost) to have grain shipped through Maritime Canadian rather than through American ports.

A little further in the debate, a Maritimer is reminded of the special stimulus provided in the Ottawa Trade Agreements for Nova Scotian apples and New Brunswick lumber. Not that the Westerner objects to any of these things—quite the contrary: he values them as basis for his own argument.

"Much," he says, "has been conceded to you Far Easterners. Still more, in the same direction, you continue to demand as yet in vain. For our part, we hope you may get it. But remember, ours is a like claim. We sink or swim together."

Does this mean that the lower grade coal of Alberta should be bought, not although, but because it is of lower quality, in all the greater proportion? That there should be an "apportionment" of custom thus to help the inferior product, for the sake of national harmony?

The issue thus posed by a single example is a crucial issue for our present Dominion-Provincial Relations Commission. It touches, too, with peculiar intimacy the Maritime case.

Our Maritime case is that for the sake of Canadian unity it is worth while to pay a price, and that this "national value" is not to be computed, either directly or indirectly, in terms of mere economic return. It is reciprocal sacrifice that is reasonably demanded, and we welcome this chance of strict enquiry before an impartial commission into the relative degrees of sacrifice yet made everywhere — East, West and Centre—for the common cause.

Perhaps some member of Confederation has contributed disproportionately. Let us enquire and amend. Always provided, however, that we use for measurement not a purely economic standard.

Unity Worth Cost

Unity is worth paying for. But a point is reached at which any reasonable member of the partnership will acknowledge, "That is too high an economic sacrifice to be made on my account," and he will bethink himself of an alternative. It is all comparatively easy, if we are alike in earnest for the whole. It is not merely difficult, but altogether impossible, if we are not thus in earnest.

One day we hear a proposal for five provinces in the East and Centre to unite in repudiating the West. Another day we hear of anarchic western projects to "secede." Let's become, as quickly as possible, ashamed of both. From the Maritimes, let us sound a call for reweaving the frayed fabric. And if, as my western friend suggested, we Easterners have in some special degree access to the ear of the West, let us use that influence for Canada.

It is true, I think, judging from several periods of visit to the Canadian West, that there is a certain instinctive sympathy. It subsists between groups conscious of peculiar local necessities near the Atlantic and Pacific seaboards, which it is hard to bring home to that much tried central authority we know as "Ottawa." One need not assume that resistance there is due to an inconsiderate temper.

Can we not, at this time of threatened disunity, re-cement the bond? Canadians have often been charged with the obligation to interpret between the United States and Great Britain. May not Maritimers, perhaps, in like manner interpret within this Dominion itself?

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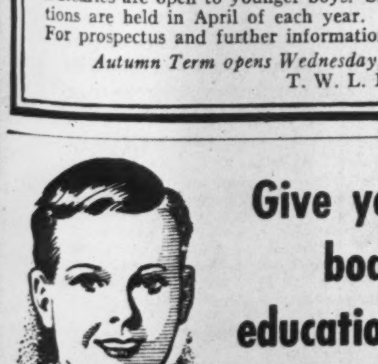

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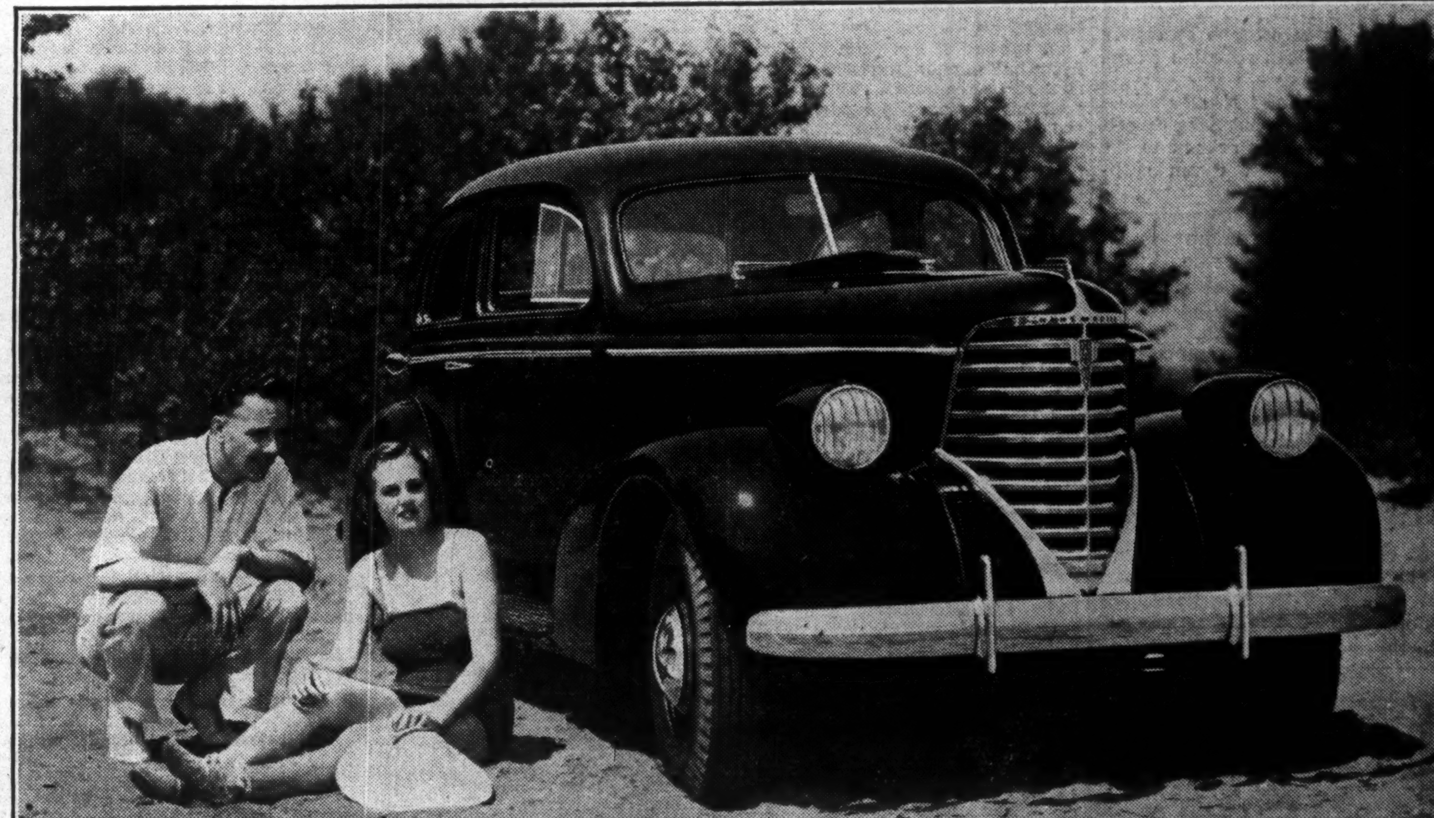

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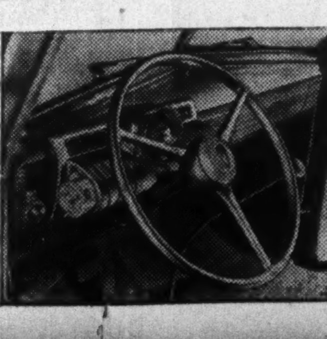

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Investment Trends

Canadian Markets Look To New York For Lead

Automobile Industry Hopes to Give Cue to Business — Newsprint Outlook Becoming Steadily Better and Stocks Getting Attention

The stock market has been acting true to form over the past week, like a chicken trying to make up its mind to cross the road. Stocks move up one day and down the next. Not a few remain stationary, waiting for some sign to show which way the "chicken" is going to go.

The Canadian markets are looking to New York to give the lead. And New York is waiting for business to take the expected upswing.

At the moment the American market is pinning its hope on the revival of buying power stimulated by Government spending and the restoration of activity in the automobile industry which in turn is banking on selling a lot of cars next spring as a result of the Government spending.

The United States Government spending cannot help but make itself felt on business. There will be improving business and a bull market at least until election time if Washington has anything to do with it. Roosevelt has many bitter enemies in the States, but if his Government can stimulate prosperity by means of pump priming, then the Democratic party stands a better than even chance of pulling the coming election out of the hole. As one commentator put it, "Nothing helps those in power with the voters more than improving business, even if the improvement is but temporary."

* * *

May Be Flash in Pan

Whether or not the improvement will be a flash in the pan will depend on other and more fundamental factors. The commodity price trend which has been deflationary in character has as yet shown few signs of turning upward. All the commodity indices have been affected by the weakness of agricultural prices. While other products have not been affected so seriously, still when it is remembered that most of the new wealth in Canada and the United States comes from the land, it may be that other prices will be affected until agricultural prices take a turn for the better.

* * *

Autos to Give Lead

American business expects to take its cue from the automobile industry. If the motor leaders believe that government spending and other factors will bring consumer demand they will go ahead with manufacture of 1939 models in a big way. So far they are not unanimous in their opinion. Probably the majority see next year's market with rosy glasses, but there is a fairly substantial minority who see nothing but blue ruin in Roosevelt's policies. The latter group is not without support. The industry has not forgotten how badly it was stuck last year. However, the next few weeks should tell the story of what the automobile industry plans to do for next year. If the decision is to manufacture on a large scale, then nearly all branches of American industry will benefit.

* * *

Watch Uncle Sam

Canadian business conditions, as already pointed out, are on a better basis than in the States. While Canadians are inclined to feel from time to time the economic conditions in this country can be independent of those in the United States, history has shown the contrary to be true. What affects American business and in turn the stock market inevitably has its repercussions in Canada. For that reason alone it is just as well for the Canadian investor to go slowly until the American situation clears.

* * *

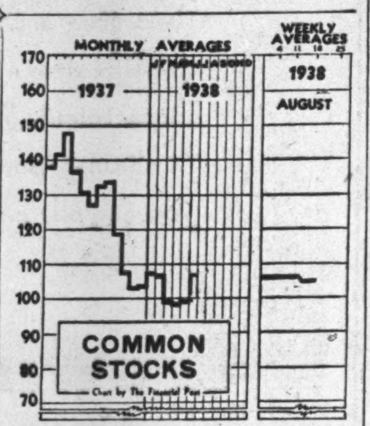
Newsprints About Ready

Along St. James and King Streets the talk is swinging around to the newsprint securities. Given sufficient tonnage and an adequate price, the paper companies can make money, which in turn would influence the market value of their securities. Over the past year the industry has been dragging bottom, but its troubles appear to be nearly over. The matter of inventories has not been wholly adjusted, but the end is in sight. A sharp improvement is expected in the last quarter. If it materializes the brokers and others will not be short of material in setting forth the attractions of this group of securities.

* * *

One Opinion on Market

The "experts" on the stock market have been treading warily for some time past. Their forecasts and theories have received more than one rude shock. The market has had a habit of doing the opposite to what the majority of experts thought it would do. Consequently there has been an increasing inclination to hedge in expressing opinions.



One of the best of the current summaries of the market follows: "Leaving Europe out entirely — where the Czechoslovakian situation still is dynamite—the fact that improving business is dependent upon the whims of government officials of itself is sufficient to continue a feeling of uncertainty and lessen the inclination of manufacturers to adopt aggressive forward policies. On the other hand, the limited field of employment for funds enhances the speculative attraction of the market while there is promise of continuance of the upward trend. This promise still exists so that holders of stocks will be reluctant to liquidate, while all bullish happenings will have better than usual effect on prices."

Provincial Light Calls Block of Mortgage Bonds

From Our Own Correspondent

MONTREAL. — Provincial Light Heat and Power Co., subsidiary of Montreal Power, has called for redemption on Sept. 1 next at 105 and accrued interest $60,000 par value of its 5% first mortgage 40-year bonds.

Payment is made at the option of the holder in Canadian, American or sterling funds.

At the end of last year, Provincial Light had outstanding $654,000 of the first mortgage bonds. With the current redemption, the funded debt of the company will be reduced to $594,000.

Dominion Foundries Rights Well Taken Up

The recent offering of rights to shareholders of Dominion Foundries and Steel resulted in 29,954 common shares being taken up at $15 a share. In addition the company has issued 855 shares to employees under the stock purchase plan at the same price and 200 shares to the president. Total issued common stock of the company is now 151,980 shares as compared with 120,653 shares at the end of 1937.

As a result of this issue of stock the company will receive about $465,000 in new capital.

Bowmanville, Ont.—Tax rate of Clarke Township was reduced 3.9 mills for the current year. Last year the county's rate was 13.2 mills, but will be 9.3 mills this year.

N. Z. COMMISSIONER

Following the retirement of J. W. Collins, Roberts M. Firth has been appointed New Zealand Government Commissioner for Canada and the United States with headquarters in Toronto. Besides his regular duties Mr. Firth will also supervise preparations of the New Zealand Government displays at the Canadian National Exhibition, the New York World's Fair and the Golden Gate Exhibition.

B.A. Oil Opens Bell Refinery

Increased Prairie Demand Makes Necessary More Refining Facilities

British American Oil Co. is preparing to reopen the Bell Refinery at Calgary which it controls. This plant which, has a capacity of approximately 800 barrels daily, has been closed for over a year but it is expected that it will be in operation within a week.

It is understood that capacity operations of the Imperial Oil refinery in Calgary, which had been supplying B. A. Oil and other companies with their requirements of refined products, has made necessary this move. The improved crop being harvested in the Prairie Provinces has increased the demand for gasoline and oils above that prevailing in recent years.

British American is also planning to recondition its Coutts, Alta., refinery and put it in operation if the demand warrants. This plant has been closed since last December. It formerly operated on Montana crude oil but was shut down following the company's decision to use Turner Valley oil resources to supply its western Canada market. The company has some products in storage at Coutts which could be utilized but nothing definite has yet been decided.

Following the adoption by Calgary ratepayers on July 20 of the company's proposals regarding the construction of a new refinery and the granting of a fixed assessment, it is expected to have this plant in operation next year.

British American is redeeming $222,500 of its 4% sinking fund debentures on Sept. 1, 1938, for sinking fund purposes. The debentures were called for payment at 101¾.

Hinde & Dauch Outlook Regarded Less Promising

Hinde & Dauch Paper Co. of Canada has been able to maintain its business at approximately the rate prevailing earlier in the year. In July it was stated that drop in demand in the second quarter of 1938 was continuing at about the same rate as in the early months. It is understood that the container end of the business is down about 18% from last year, while the paperboard line has declined from 10% to 12%.

It is also understood that company officials are somewhat less optimistic about the immediate outlook than a month or two ago but it is not believed that the current 25-cent quarterly dividend is in any danger.

Dosco Expects Gain In Coal Sales This Year

From Our Own Correspondent

MONTREAL.—Higher coal sales for Dominion Steel & Coal Corp. and its subsidiary, Dominion Coal Co., are anticipated by H. J. Kelly, vice-president and general manager of Dosco.

Market Opinions

Quiet stock markets appear to have given commentators little grounds to suggest any change from the cautious attitude of the past few weeks. Optimism for the next few months is apparently more prevalent on this continent than in Great Britain.

Brookmire Bulletins, New York—"As often happens when the market is in an area where a corrective reaction is the expectancy, recent fluctuations have been relatively narrow and of indefinite appearance. However, the market position remains one from which extension of reactionary tendencies would be a normal development. From the longer-term viewpoint, the additional signs of business gains which have lately appeared further confirm the establishment of a major recovery trend. Therefore, the two-fold policy of (1) retaining accumulated cash for the better buying opportunity which will probably be presented, (2) maintaining present invested positions intact—should be continued."

* * *

The Annalist, New York — "It seems reasonable to conclude that the breaking through of the late July support point is not conclusive evidence of serious technical weakness. The market is probably in a broad trading range in which minor fluctuations of some amplitude will occur, with final decision as to the direction of the next important movement left over until October or possibly until after the election."

* * *

Investors' Chronicle, London (Aug. 13)—"It would be premature to reckon upon industrial market recovery in the autumn, and it would similarly be premature to anticipate recovery in commodity shares and Home Rails. The present levels of a great many industrial, commodity and railways securities are very low. It is indeed difficult to believe that selective purchases now will not be amply justified during the next two or three years— apart from the war danger. If all goes well, indeed, the market may be higher in a year's time than it is now. But my opinion is that the background is too uncertain to warrant an autumn speculative boom in the industrial share market. In gold shares, indeed, there are much better prospects of boomlet —and I consider that in the gilt-edged market, too, there are modest prospects of capital appreciation."

* * *

Commercial & Financial Chronicle, New York—"The principal influence making for idle markets and uncertain price trends naturally is the unsatisfactory tendency of trade and industrial reports. Anticipated gains in this important sphere have been realized only in small part, as yet, and the question remains whether the movement will continue on any broader scale. Commodity markets fail to supply any stimulus, with some of the leading grains still at or close to the lowest levels of recent years. Nor is the foreign situation at all helpful. Much of the market nervousness doubtless can be attributed to the recurrent and all but continuous war scares that sweep over Europe. Monetary uncertainty remains unallayed, despite the many denials by highest officials of the leading nations that fresh tempering impends. Premier Edouard Daladier found it necessary to appeal to the French people, Thursday, for support of the Government and abstention from gold hoarding and capital exports. With so many uncertainties surrounding the markets, the trend plainly is to await further developments."

* * *

Journal of Commerce, New York—"Stock prices have fluctuated within a narrow range during the past week, despite several disappointing developments, and prices have been firm. The underlying firmness of the market reflects the all but unanimous view that a substantial further seasonal recovery in business will be experienced during the next few months and a widespread belief that the recovery movement will carry further during the early months of 1939."

* * *

The Economist, London (Aug. 13)—"On some grounds, perhaps, it may be possible to reach conclusions of passive optimism regarding the immediate trade outlook, if only on the premise that the rapid deterioration which occurred during the earlier months of the year has been checked. But the average investor is scarcely disposed to enter into the technical argumentation which this hypothesis involves. He has one eye on the gold rush, but has not indulged in any large-sale business in the Kaffir market. And he has the other on the political scene, balancing his relief at the Russo-Japanese truce against the restlessness of the Czech situation. The net effect of this week's rather vague pointers is a slight fall in industrials, arising from a general want of adequate support, particularly in such groups as iron and steel shares; quiet and slightly irregular conditions in the Funds; and firm, rather than excited, dealings in Kaffir shares. And so far as Wall Street has played a part in London markets, its slacker activity and slightly easier prices have assisted this trend. There is, in fact, no sparkle in the markets. And of some sections it might almost be said that there is no market sufficient to test quotations."

Salmon Pack Down Wages Staying Up

Industry Now Seeking Compensating Reduction in License Fees

From Our Own Correspondent

VANCOUVER.—British Columbia salmon packers will have to pay more for their salmon this year than they had anticipated, and this, coupled with the fact that the total pack will not be as large as usual, may affect their earnings adversely.

When the season opened and the packers announced a price cut, the fishermen threatened a strike. Arbitration proceedings were started by the provincial government, but these collapsed when, after five weeks of hearings, practically no progress was made and the chairman, Mr. Justice Denis Murphy, resigned.

Hon. George S. Pearson, minister of finance, attempted to bring the fishermen and packers together again, and the canners reluctantly agreed to pay last year's rate for their fish. In return for this, the canners have asked for a reduction in their license fees and this will go before the provincial government for an early decision.

Dominion Stores Sales Decline is Accelerated

Sales of Dominion Stores Ltd. for the four-week period ended August 13, 1938, were $1,344,634 compared with $1,452,738 in the corresponding period of 1937, a decline of 7.44%. This is the largest drop in sales to be reported by the company this year, although each preceding four-week period has shown a decline when compared with the corresponding period a year earlier.

In the latest period the company operated seven fewer stores than it did a year ago. Number of stores operated had been lower this year for each period with the exception of that ending April 23.

Comparative sales figures follow:

Monthly Sales
(Subject to final adjustment)

Four-week period ended:	1938 $	1937 $	Decr. %
Jan. 29	1,404,480	1,457,927	3.67
Feb. 26	1,459,840	1,474,989	1.03
Mar. 26	1,472,091	1,544,860	4.71
Apr. 23	1,495,190	1,547,273	3.37
May 2	1,486,876	1,515,533	1.89
June 18	1,466,405	1,503,839	2.49
July 16	1,467,436	1,500,204	2.18
Aug. 13	1,344,634	1,452,738	7.44
	11,596,952	11,997,363	3.34

Note:—In the period ended Jan. 29, 1938, fewer stores were operated than in the 1937 period; in the Feb. 26 period, 7 fewer; Mar. 26, 1 fewer; Apr. 23, no change; May 2, 3 fewer; June 18, 4 fewer; July 16, 6 fewer; Aug. 13, 7 fewer.

Investment Notes

Canadian Celanese — Reports of improved business in the textile trades has drawn more attention to the company's stock. The common is selling around 14, compared with a high of 20 and a low of 9 this year. Indications are that there is no immediate prospect of a resumption of dividends.

* * *

Dominion Bridge—Though there have been no reports of any material change in the volume of business handled by the company, the stock has been relatively strong of late.

There has been a good volume of buying. The yield is low and the inference is that better business is in sight.

* * *

Asbestos Corp.—The advance in value of the stock this week apparently was due to the filling of a large order. As is the case with so many stocks on the Canadian board these days it is necessary to bid them up in order to fill an order of more than board lot size.

* * *

Dosco—Government reports on pig iron production at Sydney do not look too encouraging. However, it is a little early to say that the July figure indicates a change from the previously high production at the steel plant. The B stock is holding up well, currently selling at 14.

* * *

C.P.R.—It seems hard to work up any interest in the ordinary shares. The larger wheat crop makes things look better for the current year, but the price at which the stock is selling would lead to the belief that the market does not expect the company to develop any large earnings on the ordinary shares for some time to come.

* * *

Canadian Car — The consistent strength and wide interest in the shares may be in the expectation of the management doing something for the common shareholders. The preferred has been selling above par for some time and is well regarded.

* * *

St. Lawrence Corp.—Appears to be professional buying behind this stock. The way the A stock has acted would give the impression that the associated companies are doing better than average. Doubtful if this is the case.

* * *

Canada Cement — The common stock is just one of those securities against which the ordinary yardsticks of value do not apply. The preferred is in arrears and recently the rate of distribution was reduced, but one would never know it by the market value of the common.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	22.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Weekly Figures, 1938:												
Aug. 4	132.8	22.2	88.3	177.3	59.3	169.4	124.5	144.1	66.0	84.4	48.2	106.7
Aug. 11	131.9	22.4	88.8	177.6	60.3	169.1	123.5	142.8	65.5	84.7	47.8	106.6
Aug. 18	127.5	20.9	88.6	176.0	59.1	168.2	119.8	137.5	64.2	85.3	46.9	104.5

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Aug. 23	122.59	125.84	92.70	33.92
Aug. 22	121.12	126.34	91.77	34.07
Aug. 20	121.77	126.81	91.14	33.63
Aug. 19	121.12	126.29	92.14	33.56
Aug. 18	120.32	124.93	90.90	33.28
Aug. 17	120.62	125.51	91.48	33.60
Month ago	125.74	122.99	96.23	38.39
Year ago	164.01	124.65	108.27	49.72
High, 1938	126.85	127.19	97.95	50.85
Low, 1938	97.66	102.06	64.47	31.40

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Aug. 23	67.4	84.7	79.0	128.76
Aug. 22	67.0	83.1	77.7	129.47
Aug. 20	67.5	83.7	78.3	129.38
Aug. 19	67.3	83.4	78.1	128.63
Aug. 18	67.3	82.4	77.4	127.29
Aug. 17	67.4	82.8	77.7	128.36
Month ago	67.7	87.3	80.7	125.54
Year ago	80.5	109.1	99.6	113.85
High, 1938	69.3	88.2	81.4	130.77
Low, 1938	59.1	61.1	60.5	103.06

United Fuel Plan Delayed

Tentative Proposals Await Court and Directors' Approval

The Supreme Court of Ontario has yet to grant authority to the directors of United Fuel Investments to call a meeting of shareholders to consider the plan of reorganization that may finally be approved by the board. When this is done the plan can be submitted to shareholders.

This announcement was made in the past week by S. A. Morse, president of United Fuel Investment, following recent publicity given to details of the company's reorganization plan. Morse stated that reports had been "premature and without the authority or knowledge of the company."

The reorganization plan appearing in the press was apparently based on proposals included in copies of the agreement to purchase assets of Dominion Natural Gas Co. as submitted by United Gas and Fuel Co. to the Hamilton City Council last January. It is understood that the plan has been changed in certain details although remaining essentially the same as that reviewed in previous issues of The Financial Post.

Proposed Exchange

The proposals recently reported provided for the following exchange of securities of United Fuel Investments:

(1) The 90,000 preferred shares of $100 par value now outstanding would be reduced to 90,000, 6% cumulative redeemable class A preference shares of $50 par value and 90,000 non-cumulative class B preference shares of $25 par value. A dividend of $2 a share would be paid on present preferred stock at the time of exchange and arrears cancelled.

(2) The 100,000 common shares outstanding would be exchanged for 90,000 new shares.

After paying cumulative dividends on the proposed class A preference shares, any further dividends would be paid pro rata between the class B stock and the common. Dividends on the class A would be cumulative from Jan. 1, 1938.

All unissued shares of present stocks would be cancelled under the proposed set-up.

Class A preference would be redeemable at $60 a share and the class B at not more than $30. Class A would be non-voting unless dividends are eight quarterly payments in arrears when they would elect two out of the six directors. Class B preference shares would have no voting rights.

Detroit Bridge Plan Prepared

Would Eliminate All Fixed Charges and Leave Only Common Stock

Proposed reorganization plan for Detroit International Bridge Co. would eliminate all fixed charges.

The plan must first be submitted to the U. S. District Court for the Eastern District of Michigan before being presented for consideration of security holders. Ontario Supreme Court approval is necessary under the Companies Creditors Arrangement Act, as the bonds are joint obligations of the company and its Canadian subsidiary, The Canadian Transit Co.

Exchange of securities under the plan would be on the following basis.

(1) For each $1,000 of first mortgage bonds now held, the holders would receive 16 shares of common stock, $1 par value.

(2) For each $1,000 of debentures now held, the holders would receive two shares of common stock.

(3) Holders of preferred stock would be entitled to receive a warrant to purchase one share of new common stock at $5 per share for each two shares of preferred now held. The warrants will be exercisable for a period of two years from the date of confirmation of the plan.

(4) Holders of common stock would be entitled to receive a warrant to purchase one share of new common stock at $5 per share for each 40 shares of common now held.

Distribution of Stock

Only one class of stock would be issued. At least 217,175 shares would be outstanding of which first mortgage bondholders would get 191,648 shares, debenture holders 16,000 shares, 7,027 shares would be reserved for issuance upon exercise of warrants by preferred shareholders and 2,500 shares for warrants to common shareholders.

An additional 103,824 shares may be issued upon exercise of subscription rights that may be given bond and debenture holders. Subject to court approval the holder of each $1,000 bond would get eight rights and for each $1,000 debenture one right. These rights are to be granted if there is not sufficient cash to liquidate the tax liability, exact amount of which is not known. A further 129,001 common shares may be issued for general corporate purposes.

The company now has outstanding $11,978,000 of 6½% first mortgage bonds and $8 millions of 7% debentures as well as $1,405,300 in 7% preferred stock and 1,000 common shares. First mortgage bond interest due Aug. 1, 1931, and debenture interest due Feb. 1, 1931, and later is in default.

Half Million Cash

Consolidated balance sheet as at June 30, 1938, shows cash of $546,528,

Consol. Income Account
Years Ended June 30

	1938 $	1937 $
Gross income	352,827	331,973
Less: Oper. expenses	76,839	68,491
Admin. expenses	48,894	42,100
Taxes	202,245	195,060
Oper. profit	24,849	26,322
Add: Other income	1,556	1,507
Less: Amort. of debt exps.	112,639	112,639
Depreciation	225,544	224,529
Amort. of easement	2,389	2,389
Loss before debt int.	314,167	311,729

City of Montreal

In commerce, finance and industry Montreal holds a position of outstanding importance in the affairs of the Dominion. Its population exceeds that of six of Canada's nine provinces and it is one of the six largest cities in North America.

The City balanced its budget, apart from relief, for the fiscal year ended April 30th, 1938, with a revenue surplus of $926,019.

City of Montreal
4% Bonds, due December 1st, 1946
Denominations: $1,000 and $500.
Price: 100 and interest, yielding 4%

Descriptive circular forwarded upon request.

Wood, Gundy & Company
Limited
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

Falconbridge Finds Gain In Demand for Its Copper

From Our Own Correspondent

SUDBURY. — As with International Nickel, metal sales of Falconbridge Nickel are currently showing improvement over those of months preceding July. The increase is not of great volume, but is encouraging, J. Gordon Hardy, Falconbridge president, told The Financial Post. Mr. Hardy is spending a few days at the property following two months in the United Kingdom and Europe.

Falconbridge at present is having no difficulty in placing its 10 million pounds yearly of copper output, Mr. Hardy stated. There are ready metal markets in Scandinavia, Poland and Czechoslovakia.

Demand for nickel has been recently spasmodic, particularly in the British Isles, Mr. Hardy reported. General business has fallen off somewhat and nickel sales vary from month to month.

Refined nickel inventory has been increased of late at the Kristiansand refinery, though not yet to a burdensome degree, it is stated. Falconbridge is thus ready to supply increased demand at any time.

For the present Falconbridge is not undertaking any new capital expenditure. Plans for construction of a $50,000 laboratory have been deferred until a change is seen in the general business outlook. Development work at depth is proceeding at a normal pace, and No. 5 shaft, which is being deepened, has now passed the 2,400-foot mark.

Recently the ore zone was cut on the 2,100-foot level from the No. 5 shaft, and showed values of usual mine grade. The new conveyor system, serving concentrator, sintering plant and smelter is now nearing completion.

Langley's Earnings Down 15% for 6 Mos.

Earnings of Langley's Ltd., Toronto dry cleaning firm, declined about 15% in the first half of 1938 as compared with a year ago. It is understood, however, that some improvement has taken place since the beginning of July.

On Sept. 22 of this year the company will make the second $2.50 a share payment on its preferred stock for this year. In 1937, the company earned $5.04 a share on the 7% preferred, on which arrears amount to $24.75 a share.

Calgary Brewing Reduces Authorized Capital Stock

Calgary Brewing and Malting Co. has received supplementary letters patent, dated Aug. 13, 1938, reducing its capital from $2 millions to $1.5 million. The reduction of $500,000 is being effected by cancelling all the 5,000 unissued shares of capital stock, leaving authorized and issued capital stock at 15,000 common shares of $100 par value.

The company operates a brewing and malting business in Calgary but does not issue its financial statement to the public although there is a limited public interest in its stock and bonds.

Seagram Unit Spends $1 Million on Plant

From Our Own Correspondent

MONTREAL.—In the appropriation recently of $400,000 to complete the improvement programme at its Relay, Md., plant, construction expenditures by Calvert Distillers Corp., subsidiary of Distillers Corp.-Seagrams, for the past 18 months reached $1,000,000, W. W. Wachtel, president, announces.

In 1934, when the present plant was built, it was expected to take care of Calvert production for five years. Before the end of one year two new warehouses, a new rectifying plant, four additional bottling lines and accessories were required, the construction of which cost $500,000.

This year's additional $400,000 outlay, now approaching $500,000, is not being spent in anticipation of future needs, but merely to keep pace with current requirements.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Change of Position

YOUNG QUALIFIED ACCOUNTANT, Specialist in Income Taxes, desires position with a professional, financial, commercial, or industrial firm. Full particulars will be furnished on request. Replies will be treated as confidential. Box 12, The Financial Post, 481 University Ave., Toronto 2.

PROVINCIAL PAPER LIMITED

To Holders of Twenty-year First Mortgage 5½% Sinking Fund Bonds, Series "A" of Provincial Paper Limited.

Notice of Redemption

NOTICE is hereby given pursuant to Trust Deed and Mortgage made between Provincial Paper Limited and The Royal Trust Company as Trustee and dated as of the 21st day of April, 1927, that the outstanding Twenty-year First Mortgage 5½% Sinking Fund Bonds, Series "A," hereinafter mentioned to the principal amount of $449,500.00 have been drawn by lot by the Trustee for redemption upon the first day of November, 1938. The bonds so drawn are numbered as follows:

$1,000.00 Denomination

AM-0015, 0020, 0037, 0066, 0079,
0104, 0106, 0109, 0113, 0115, 0125,
0141, 0143, 0155, 0174, 0176, 0184,
0279, 0284, 0288, 0289, 0290, 0291,
0296, 0301, 0308, 0344, 0359, 0371,
0373, 0378, 0381, 0383, 0394, 0403,
0427, 0447, 0452, 0463, 0464, 0469,
0598, 0599, 0604, 0644, 0654, 0655,
0698, 0702, 0732, 0736, 0738, 0753,
0757, 0758, 0759, 0761, 0762, 0763,
0775, 0777, 0778, 0779, 0781, 0782,
0785, 0788, 0809, 0838, 0843, 0862,
0917, 0920, 0924, 0928, 0932, 0935,
0947, 1031, 1032, 1039, 1042, 1043,
1046, 1050, 1052, 1055, 1058, 1061,
1074, 1085, 1087, 1089, 1093, 1096,
1105, 1107, 1108, 1125, 1126, 1137,
1152, 1161, 1162, 1164, 1171, 1179,
1184, 1186, 1192, 1200, 1202, 1203,
1213, 1217, 1228, 1239, 1323, 1344,
1352, 1354, 1365, 1369, 1380, 1383,
1402, 1403, 1413, 1418, 1423, 1424,
1428, 1431, 1433, 1437, 1452, 1454,
1464, 1485, 1490, 1494, 1498, 1537,
1649, 1651, 1653, 1658, 1670, 1676,
1682, 1683, 1693, 1696, 1717, 1730,
1734, 1743, 1745, 1747, 1758, 1767,
1822, 1825, 1827, 1828, 1832, 1834,
1839, 1846, 1850, 1855, 1857, 1862,
1886, 1889, 1997, 2001, 2003, 2007,
2013, 2025, 2033, 2037, 2106, 2122,
2146, 2152, 2184, 2210, 2212, 2224,
2303, 2329, 2330, 2369, 2370, 2371,
2383, 2390, 2391, 2399, 2400, 2407,
2424, 2431, 2437, 2453, 2469, 2479,
2497, 2507, 2512, 2514, 2516, 2517,
2524, 2528, 2536, 2537, 2547, 2554,
2609, 2617, 2637, 2651, 2652, 2654,
2717, 2723, 2757, 2758, 2759, 2765,
2793, 2797, 2799, 2837, 2843, 2846,
2858, 2868, 2875, 2890, [illegible] 2898,
2903, 2904, 2906, 2908, 2909, 2910,
2918, 2919, 2925, 2927, 2966, 2987,
2999, 3001, 3027, 3040, 3047, 3057,
3163, 3169, 3193, 3200, 3265, 3266,
3276, 3292, 3297, 3305, 3306, 3309,
3365, 3420, 3465, 3496, 3499, 3523,
3562, 3570, 3574, 3605, 3611, 3615,
3664, 3692, 3705, 3725, 3739, 3790,
3813, 3820, 3821, 3825, 3829, 3835,
3850, 3853, 3869, 3897, 3903, 3906,
3920, 3941, 3965, 3982, 3997, 4002,
4048, 4053, 4054, 4058, 4061, 4073,
4125, 4134, 4155, 4178, 4187, 4192,
4206, 4214, 4241, 4276, 4285, 4329,
4356, 4374, 4380, 4389, 4390, 4403,
4420, 4623, 4624, 4627, 4640, 4642,
4651, 4664, 4665, 4666, 4677, 4686,
4766, 4770, 4779, 4785, 4789, 4801,
4805, 4806, 4824, 4828, 4839, 4840,
4866, 4876, 4880, 4891, 4910, 4912,
4961, 4971, 4974, 4990, 5024, 5032,
5093, 5129, 5158, 5172.

$500.00 Denomination

AD-0005, 0006, 0066, 0067, 0072,
0095, 0096, 0100, 0108, 0112, 0124,
0131, 0138, 0157, 0171, 0173, 0183,
0186, 0199, 0200, 0211, 1215.

Payment of the redemption price, being the principal of the said bonds to be redeemed together with a premium of one half of one per centum thereon and together with the accrued and unpaid interest on the said principal up to the said 1st day of November, 1938, will be made upon presentation of the said bonds with all unpaid coupons thereof at any of the places where the principal of the said bonds is, according to the terms thereof, payable. The said principal of the said bonds is payable according to the terms thereof at any branch in Canada of The Standard Bank of Canada or at the holder's option at the agency of the Bank of Montreal in the City of New York, Borough of Manhattan, State of New York. As the Standard Bank of Canada has been taken over by The Canadian Bank of Commerce provision has been made for the payment of the redemption price at any branch in Canada of The Canadian Bank of Commerce or at the holder's option at the agency of the Bank of Montreal in the City of New York, Borough of Manhattan, State of New York.

Interest upon any bonds so called for redemption shall as against the holder cease to be payable from and after the said 1st day of November, 1938.

Dated this 10th day of August, 1938.

PROVINCIAL PAPER LIMITED,
S. F. Duncan,
President.

Canada's New Harvest

● Growing importance of the Dominion's mineral resources is seen in the fact that value of mineral production in Canada last year exceeded the value of the largest wheat crop ever harvested in the Dominion. In 1928 a record-sized wheat crop of 556,000,000 bushels had a value of $451,235,000; in 1937 Canada's mineral production had a value of $456,700,000.

This great mining harvest spreads its benefits over the whole, Dominion; in the wake of expanding mineral development has come increased employment and widened purchasing power. New communities have sprung up in what was a wilderness ten years ago; mining activity has created new markets and new wealth for Canada and Canadians.

Value of Canada's mineral production has increased 83 per cent in the past decade. Canada now ranks first in world production of nickel, platinum and asbestos; second in radium and zinc; third in gold, silver and copper, and fourth in lead. This is the Dominion's heritage and through the development of its mineral resources investors may share in one of Canada's greatest assets.

NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal, P.Q.
Branches in the principal cities of Canada

78A

CANADIAN
FUND

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Bond Markets

Medium Term Bonds are Favored in Quiet Market

Prices of Good Corporation and Government Bonds Ease Slightly — Some New Issues Likely in Early Autumn But Volume Small This Year

Bond markets continue their customary period of summer inactivity. Investors at this time of year seem always more willing to wait until the autumn months than they are to accept commitments. As a result bond trading, like that on the stock exchange at present, is very quiet.

Not much can be said that would indicate a definite trend in prices in either direction. High-grade bonds have shown little change. Some interest has been shown in newsprint issues in the light of the signs of improvement in this industry's outlook.

Investors who are inclined to follow bond trends carefully, such as the larger institutions, are following a policy of shortening the average term of their holdings. This, however, does not mean that attention is turning toward real short-term bonds. Market on such issues has not been very satisfactory in recent weeks as illustrated by the steady climb in yields on Dominion treasury bills. It seems rather to be the middle term issues, with maturities up to perhaps 10 years, that are most favored. Such moves are probably a protective action, recognizing that prices for highest grade bonds are not far from record high levels and thus somewhat vulnerable. On the other hand, the yields on short-term issues are still so low as to give very little attraction even to institutional investors.

Adjusting Prices

This gradual easing of high-grade bond prices has not allowed the best grades of industrial and public utility bonds to escape. Some of the better issues that rank among the safest Canadian corporation bonds, such as B. A. Oil debentures, Dominion Textile, Maritime Telephone, Steel of Canada, have been selling above the call prices recently.

Recognition of the possibility of loss in the event of a refunding operation in some cases has apparently been a factor in bringing somewhat lower prices. As a consequence yields are a little more attractive. There is no evidence of anything approaching a serious drop in bond prices and the whole rather indecisive movement may be largely due to an exceedingly quiet market.

* * *

Some New Issues Coming

So far this year the volume of new bond financing in Canada has been well below both 1937 and 1936 for comparable months, even when this year's slightly larger amount of short-term financing is included. Nor is there much evidence of any great amount of new financing in immediate prospect. This should prove a factor in maintaining bond prices somewhere around current high levels.

It is understood, however, that W. C. Pitfield & Co. will be offering a new bond issue of Philippine Long Distance Telephone Co., a subsidiary of Anglo-Canadian Telephone Co. A representative of this investment firm has recently returned from visiting the Philippines and the new issue will probably be along soon.

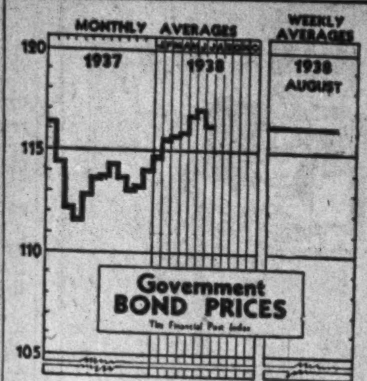
Other borrowers that are rumored as likely to seek money this fall include the provinces of Quebec, New Brunswick and Ontario and the Dominion Government. In addition to this there will probably be an offering of refunding bonds by Gatineau Power. The C. N. R. is also reported likely to offer an equipment trust issue in New York and Canada in the near future.

* * *

Canada vs. U. S. Methods

It is helpful to compare stock transactions on Canadian stock exchanges with those on the New York Stock Exchange. Trading conditions are similar in each case. The major companies in both Canada and the United States have their stocks listed on one or more of the various exchanges.

But the same conditions do not apply to buying and selling bonds. Very few Canadian bond issues are listed on either the Toronto or Montreal exchanges and even when formal listing has been carried out, actual transactions are few. In this country the real bond market is provided by the investment dealers in informal, but well-organized, trading among themselves.



It has been a long time since any bonds were traded on the Toronto Stock Exchange and actual sales are rare in Montreal. But in New York it is a different story. The August bulletin of the New York Stock Exchange shows that $178.3 millions principal amount of bonds, domestic and foreign, were bought and sold on the exchange in July. Moreover at the end of July, total market value of all listed bonds was just about equal to market value of all stocks.

The Canadian method seems to work fairly well. Its chief drawback from the investors' standpoint may be the lack of any accurate information as to the volume of sales taking place at a particular price. Bid and asked prices are published for actively traded bonds but there is no assurance that sales have actually been made at prices quoted. Nor can the investor know how many bonds can be bought or sold at the published price. It might be better if bond trading in this country was placed on the same basis as stocks, but at present there is little prospect of any extensive change being made.

* * *

Bond Index

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1938	Price $	Yield %
Aug. 23	116.23	2.879	Aug. 23	114.17	3.236
Aug. 22	116.19	2.881	Aug. 21	114.20	3.233
Aug. 21	116.16	2.884	Aug. 20	114.29	3.226
Aug. 19	116.14	2.887	Aug. 19	114.46	3.206
Aug. 18	116.15	2.950	Aug. 18	114.51	3.200
Aug. 17	116.14	2.970	Aug. 17	114.49	3.201
Year's	117.21	2.783	Year's	116.81	3.026
Range	114.21	3.147	Range	111.60	3.505

Wabasso Seeks To Cut Charges

Will Write Down Plant and Eliminate Discount on Bonds

From Our Own Correspondent

MONTREAL. — Wabasso Cotton Co. has called a meeting of its shareholders on September 15 next to consider a by-law, adopted by the directors, involving a technical reduction in the capital of the company.

It is proposed to effect this change by reducing the figures at which certain fixed assets are now carried on the balance sheet to an amount more in keeping with what the directors consider to be the true value in the light of present conditions; by eliminating from the balance sheet the item of bond discount.

According to the notice the equity of the shareholders in the property, assets and earning power will in no way be impaired by the adoption of this by-law. Further, the notice states, the annual charge against earnings for amortization of the bond discount will be eliminated.

It is intended to reduce the book value of the common stock which is now carried on the books at $4,192,240 by an amount of $2,192,240. The book value of the 69,903 common shares at present issued will, therefore, be reduced to $2 millions if this by-law is sanctioned by the shareholders.

Montreal Municipalities Cut Down on Tax Arrears

From Our Own Correspondent

MONTREAL. — Municipalities in the Greater Montreal area and under the jurisdiction of the Metropolitan Commission have reduced tax arrears to 70% of the amount outstanding in 1934.

The town of Montreal West comes first with an 84% reduction, from $157,000 down to $26,000. In second place the town of St. Michael's tax arrears have dropped from $55,000 to $20,000, equivalent to a 64% drop. In third place Montreal East has reduced its tax arrears from $57,000 to $33,000, a decrease of 42%.

Detailed comparative reports for the years 1934 to 1938 follow:

	1934 $	1938 $
Westmount	406,000	350,000
Outremont	306,000	267,000
Verdun	369,000	221,000
Lachine	301,000	197,000
Montreal West	157,000	26,000
Mount Royal	60,000	51,000
Montreal East	57,000	33,000
Hampstead	20,000	20,000
LaSalle	56,000	49,000
Ville St. Pierre	45,000	82,000
Saint Laurent	117,000	82,000
Pointe aux Trembles	41,000	45,000
Montreal North	78,000	54,000
Saint Michel	55,000	20,000
Total	2,068,000	1,443,000

Town of Val d'Or Bonds Offered Public Near Par

From Our Own Correspondent

MONTREAL.—R. M. Rainville & Co., investment dealers, are currently offering at 99½ to 99 a $400,000 issue of town of Val d'Or 5% bonds. These bonds are dated Jan. 1, 1938, maturing Jan. 1, 1939 to Jan. 1, 1953.

The issue is a direct obligation of the municipality and bears the signatures of the Provincial Minister of Municipal Affairs, as to the legality.

Proceeds will be used to pay the cost of the Aqueduct, sewer system and other improvements.

Bowater-Lloyds Financing Flops

From Our Own Correspondent

MONTREAL. — Bowater-Lloyds recent public offering of £1,250,000 of 4½% guaranteed debentures, to finance purchase and control of International Power & Paper Co. of Newfoundland, was far from being successful.

While the company itself is not affected, the underwriters were left with about one third of the issue. As a consequence, the debentures which were offered to the public at 98 are being quoted currently at 93-94, the last sale on August 8 taking place at 93¾.

Bond Sales

C.N.R. Financing

Reports from New York are to the effect that Canadian National Railways will probably do some equipment financing in the New York market next month. The amount has not yet been decided, particularly as part of the total may be floated in Montreal. Financing was discussed about two months ago, but delayed in the expectation of improved conditions. In view of the scarcity of high-grade issues, it is likely that the C.N.R. financing will be carried out in the near future.

* * *

Cobden, Ont.

The village of Cobden has sold $22,000 of 4% debentures to J. L. Graham & Co., Toronto. The transaction was a private sale and the price has not been disclosed. Proceeds of the issue will be used for building a high school.

Peerless Corporation Pays 75-cent Dividend

Peerless Corp., which uses the names and trademarks of Canadian Breweries in the United States has declared a dividend of 75 cents a share, payable Sept. 15, as compared with an initial disbursement of 30 cents a share on Sept. 15, 1937.

Canadian Breweries acquired an unstated number of shares of Peerless Corp. in 1937, and holds in addition 25,000 shares, acquired in 1933.

The American company is capitalized at 750,000 shares of $3 par value, of which 725,108 shares were outstanding at Sept. 30, 1937.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
B. A. Oil	▲4%	1945	Sept. 1	101¾
Ham. Cotton, A	5½%	1948	Sept. 19	103
Ottawa L. H., A	5%	1957	Oct. 1	103
McColl-Fron., A	6%	1949	Oct. 1	103
Prov. Paper, A	†5½%	1952	Nov. 1	100½
Prov. L., H. & Pr.	‡5%	1946	Sept. 1	105
P. L. Robertson Mfg.	7%	1942	Oct. 15	105

For sinking fund purposes:
▲$222,500. ‡$60,000. †$448,500.

Civic Employees Rap City Council

Winnipeg Federation Attacks City Fathers Before Commissioners

From Our Own Correspondent

WINNIPEG. — The first week of the Royal Commission appointed to examine the financial affairs of Winnipeg, has been devoted entirely to reception of briefs.

In general all of them are far away from the expressed wish of Dr. Carl Goldenberg at the opening of the hearing when he asked for concrete suggestions.

Medical men protested a reduction in the amount allowed for relief medical services. The General Hospital asked that a definite allocation per indigent patient be made, sufficient to pay the costs of treatment.

Only one presentation has drawn the expressed ire of the commissioners and this was one presented by the Federation of Civic Employees who voiced "a great deal of suspicion of the city council and very little confidence in it." The brief claimed that contracts had been violated and that civic workers had carried more than their share of hardships. Dr. Goldenberg and T. J. Thorson rather forcibly suggested that certain phraseology should be withdrawn and Dr. Goldenberg said such briefs were not likely to assist the commission in arriving at the real facts.

The Federation of Civic employees' brief, was aimed particularly at the assessment department and suggested specifically that the commission might enquire into whether the large increase in expenditure in the assessment department had been justified.

The Manitoba section of the Communist party have a cut and dried plan to lift the city out of its financial difficulties.

The Communists proposed to raise $2,867,000 additional revenue for 1939 by an income tax to bring in $1,857,000; a railway tax, $500,000; graduated property tax $400,000 and business tax $110,000.

Bleached Sulphite Pulp Price Cut General in U. S.

From Our Own Correspondent

MONTREAL.—Pacific Coast producers have followed the policy of the eastern U. S. manufacturers by reducing the price of bleached sulphite pulp by $5 a ton.

The present price for the pulp is $50 a ton with that price scheduled to hold for the balance of the year.

It is a tribute to the many qualities of Walpamur that it was chosen as the material for the entire exterior and much of the interior finish for the United Kingdom Building at the 1938 Canadian National Exhibition in Toronto. Every square foot of exterior paint work was of Walpamur . . . chosen because of its adaptability to attractive treatment and ease of application and because of its beauty and economy.

The factors influencing those in charge in their choice of **WALPAMUR** for this huge redecoration project were:—

Economy—Superior Covering Power — Fire Resistance — Permanence Speed of Application

For Both Exterior and Interior Flat Finishes Walpamur is unequalled.

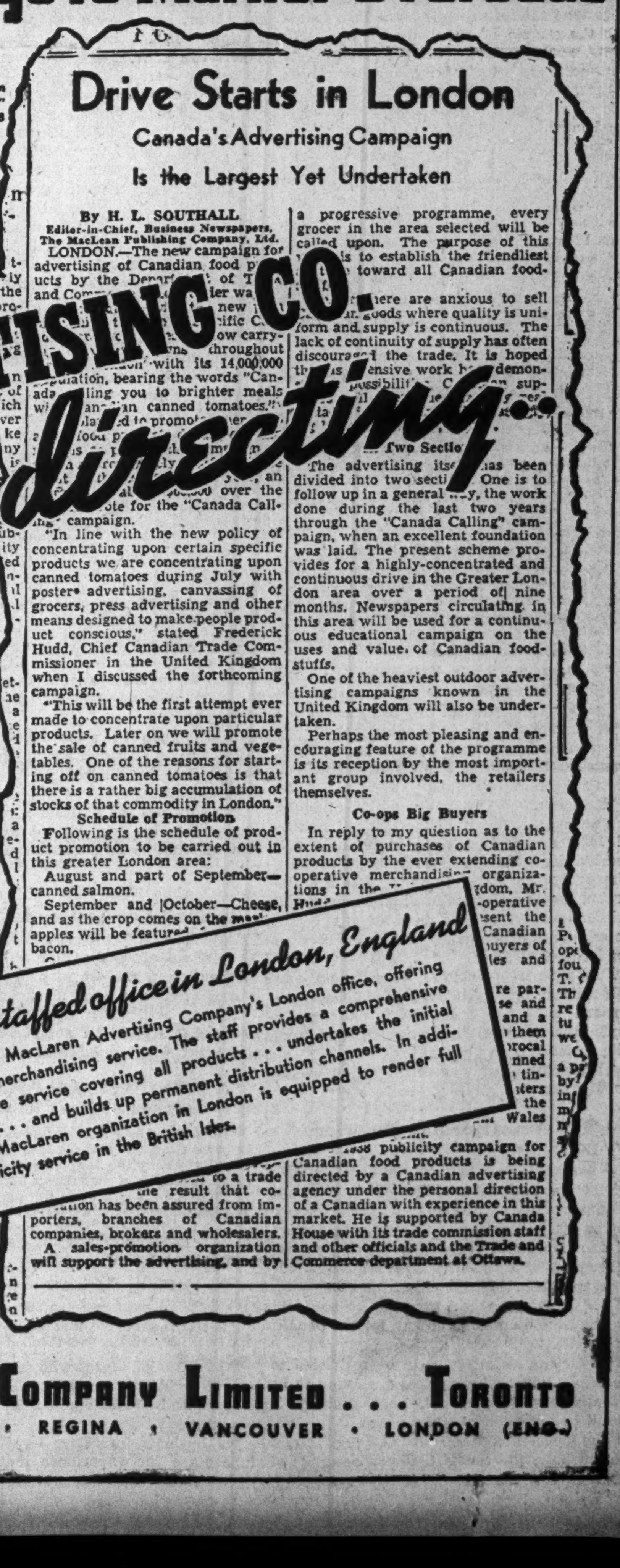
WALPAMUR

The Famous Flat Wall Finish Sold Throughout the World

CROWN DIAMOND PAINT COMPANY LIMITED
MONTREAL TORONTO HALIFAX

Life Insurance Sales

Sales of new ordinary life insurance in Canada and Newfoundland in July were slightly lower than in the corresponding month a [illegible] ago. The figures compiled by the Life Insurance Sales Research [illegible]eau and given out by the Canadian Life Insurance Officers Association were $30.1 millions in July, 1938, against 32.3 millions in July, 1937.



Canadian FOODS go to Market Overseas

Clipping from "Financial Post" July 30th, 1938

Drive Starts in London
Canada's Advertising Campaign
Is the Largest Yet Undertaken

By H. L. SOUTHALL
Editor-in-Chief, Business Newspapers, The MacLean Publishing Company, Ltd.

LONDON.—The new campaign for advertising of Canadian food p[illegible]ucts by the Depar[illegible] of T[illegible] and Com[illegible]ler wa[illegible] new [illegible]cific C[illegible]ow carry-[illegible] throughout [illegible] with its 14,000,000 [illegible]ulation, bearing the words "Canada [illegible]ling you to brighter meals wi[illegible] canned tomatoes." [illegible] to promote [illegible] over the [illegible]ote for the "Canada Calling" campaign.

"In line with the new policy of concentrating upon certain specific products we are concentrating upon canned tomatoes during July with poster advertising, canvassing of grocers, press advertising and other means designed to make people product conscious," stated Frederick Hudd, Chief Canadian Trade Commissioner in the United Kingdom when I discussed the forthcoming campaign.

"This will be the first attempt ever made to concentrate upon particular products. Later on we will promote the sale of canned fruits and vegetables. One of the reasons for starting off on canned tomatoes is that there is a rather big accumulation of stocks of that commodity in London."

Schedule of Promotion

Following is the schedule of product promotion to be carried out in this greater London area:

August and part of September—canned salmon.

September and October—Cheese, and as the crop comes on the ma[illegible] apples will be featur[illegible] bacon.

[illegible] to a trade [illegible] the result that co-[illegible]ation has been assured from importers, branches of Canadian companies, brokers and wholesalers.

A sales-promotion organization will support the advertising, and by a progressive programme, every grocer in the area selected will be called upon. The purpose of this [illegible] is to establish the friendliest [illegible] toward all Canadian food-[illegible]

[illegible]here are anxious to sell [illegible] goods where quality is uniform and supply is continuous. The lack of continuity of supply has often discourag[illegible] the trade. It is hoped th[illegible] [illegible]ensive work h[illegible] demon-[illegible] possibilit[illegible] sup-[illegible]

Two Sectio[illegible]

The advertising its[illegible] has been divided into two secti[illegible] One is to follow up in a general [illegible], the work done during the last two years through the "Canada Calling" campaign, when an excellent foundation was laid. The present scheme provides for a highly-concentrated and continuous drive in the Greater London area over a period of nine months. Newspapers circulating in this area will be used for a continuous educational campaign on the uses and value of Canadian foodstuffs.

One of the heaviest outdoor advertising campaigns known in the United Kingdom will also be undertaken.

Perhaps the most pleasing and encouraging feature of the programme is its reception by the most important group involved, the retailers themselves.

Co-ops Big Buyers

In reply to my question as to the extent of purchases of Canadian products by the ever extending co-operative merchandis[illegible] organizations in the [illegible]gdom, Mr. Hud[illegible] [illegible]-operative [illegible]sent the [illegible] Canadian [illegible]uyers of [illegible]les and [illegible] Wales

[illegible] 1938 publicity campaign for Canadian food products is being directed by a Canadian advertising agency under the personal direction of a Canadian with experience in this market. He is supported by Canada House with its trade commission staff and other officials and the Trade and Commerce department at Ottawa.

MacLAREN ADVERTISING CO. *directing..*

UNDER the authority of the Hon. W. D. Euler, Minister of Trade and Commerce, and in co-operation with the High Commissioner's Committee at Canada House, London, MacLaren Advertising Company is directing the largest advertising and merchandising effort ever placed behind Canadian food products in the British market. This is more than a conventional advertising and publicity job. It has called for the establishment of a fully-staffed MacLaren Advertising office in London. Members of this overseas staff are providing an alert commercial intelligence service, initiating and supervising the distribution of goods on a national scale, and lining up permanent, aggressive distributors for Canadian bacon, cheese, apples, tomatoes, salmon, etc. Have you an overseas merchandising problem? If so, the experience and contacts our London office can place at your disposal may be its quick solution. We will be glad to provide any interested exporter with full details about our organization and service in the British Isles, on request.

A completely-staffed office in London, England

Fifteen people man the MacLaren Advertising Company's London office, offering a complete overseas merchandising service. The staff provides a comprehensive commercial intelligence service covering all products . . . undertakes the initial distribution of goods . . . and builds up permanent distribution channels. In addition, of course, the MacLaren organization in London is equipped to render full advertising and publicity service in the British Isles.

MacLaren Advertising Company Limited . . . Toronto
MONTREAL • WINNIPEG • CALGARY • REGINA • VANCOUVER • LONDON (ENG.)

Canadian Open Golf Championship
Seagram
GOLD CUP
Lawson Little
Harry Cooper
Sam Snead

A Champion of Champions

The world honours a champion—and The House of Seagram joins with all Canadian sportsmen in congratulating the new Canadian Open Golf Champion—winner of the Seagram Gold Cup.

And so another name is inscribed on the Scroll of Honour within the Seagram Gold Cup—the name of one who is truly a champion of champions.

The House of Seagram

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

The Financial Post Business Year Book and Market Survey, Yearly, $2.

The Financial Post Survey of Corporate Securities, Yearly, $2.

The Financial Post Survey of Mines, Yearly, $2.

Directory of Canadian Directors and Officials, $10.

The Financial Post Survey of Canadian Oils, Yearly, $1.

The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2,
Founder and Chairman—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—
H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, AUGUST 27, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

Unemployment Policy a Failure

THAT unemployment policies in Canada have been a vast failure is the conclusion drawn by the Vancouver Province. It quotes a report by the Economic Survey Board of Manitoba which says:

> "The test of unemployment policies must be the extent to which these policies assist in the general trend towards re-employment."

British Columbia alone has spent $68 millions for relief and unemployment; the nation more than a billion.

But what is there to show either by way of accomplishment or rehabilitation?

Relief has been provided, but relief measures, as the Manitoba Board points out, have even hampered re-employment.

They have laid a burden on private employers, on municipalities and on provincial governments that has crippled the very agencies that might have provided employment.

Our "Good Neighbor"

LAST week Canada came under the spell of the infectious personality of the man who for nearly six years has been president of the United States.

Newspapers gave hundreds of columns of space to pictures of Franklin Roosevelt's smiling face; praised his good humor and friendliness.

His emphatic declaration that "the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire" brought laudatory comment in every corner of the world where democratic government exists.

After seeing President Roosevelt in action at Kingston and at Ivy Lea it is easier to understand the influence this one man exerts over the people of the United States. His speech, his personality, his promises, create an atmosphere of sincerity and conviction that few men in the world can duplicate.

To all who saw him, he appeared an ideal "good neighbor." And "good neighbors" are all too rare in this bayonet-bristling world.

* * *

But there is another side to our good neighbor.

Within recent weeks he has started on his second New Deal. His first New Deal crashed so disastrously a year ago that Canada, along with almost every country of the world, has suffered severely. Is there much hope that his second New Deal is to be any more successful than the first?

What did the first New Deal promise?

The comment of a leading American periodical last week is illuminating:

> "It promised stability; and there has never been less of it.
>
> "It promised permanent recovery; and its recovery, never equal to that of the world as a whole, went suddenly to pieces.
>
> "It promised full employment and the abundant life forever; and what has become of that is relief as a permanent estate, politically and powerfully organized.
>
> "Meanwhile, the richest and most powerful country in the world is going backward. We are devouring our substance. We are wasting our labor. In a relative sense, if not actually, our wealth is declining for want of production."

* * *

President Roosevelt is presently on the hustings endeavoring to ensure that his "friends" are returned to political power next November. He is banking heavily on his personality and his gargantuan political largesse returning the Democrats to power in the forthcoming elections.

The extent of that power is indicated by the estimate that within the last six months of 1938, nearly 13 million individuals will receive in their mail government cheques direct from the U. S. Treasury. This is interpreted as meaning that approximately 40 million people, or one-third of the entire population is dependent on the U. S. Treasury for income.

Fundamental principles of self-help and self-reliance on which the United States and Canada were built, are being undermined under the Roosevelt influence. A new "servile society" is in the making.

This is the other side of the "good neighbor" picture.

The New Canadian Doctrine

A DOCTRINE, new in the politics of Canada, begins to emerge in connection with wheat marketing questions. It is that of "compensatory adjustment."

The West, it is claimed, bears an undue part of the burden of the tariff, which benefits other parts of the country. It is argued, therefore, that cash, raised mainly from other parts of the country, should properly be paid out by the Dominion Government, for the benefit of the West.

So far the claim seems to be restricted to occasions when wheat prices are found to be unsatisfactorily low, but, once granted, it could be extended to every year.

The development of this doctrine should not surprise those who followed accounts of the proceedings of the Turgeon Commission at its sittings in western Canada. It was propounded by numerous farmer witnesses and farmers' representatives. There was much talk of a wheat board, but rarely, it proved, did any one believe that a wheat board in itself was an especially efficient instrument for marketing grain.

But a wheat board could be a highly efficient instrument for transferring cash from the treasury to the wheat grower, and for that it was wanted. Old-time politicians rubbed their eyes at some of these accounts. At one time the western farmer would have repudiated with horror any suggestion of a special privilege for himself. He stood on principles, and those principles were opposed to special privileges of any kind, particularly those he found in the tariff.

Now, it appeared, he conceded the tariff, or conceded that it was there to stay. But he wanted something to offset what he thought the tariff cost him.

The same idea is behind the western attitude on the railway problem. The West has seemed to be indifferent to the costs of railway duplication in Canada, as well as to the waste of the Hudson's Bay Railway. To some extent at least, these things have been regarded as offsets, even if unsatisfactory ones, to the cost of the tariff in the West, and to its benefits in the East.

Once the rest of Canada realizes what is happening, the pressure on the Canadian taxpayer for "compensatory adjustment" will become intolerable—if, indeed, it has not reached that point already. The present claims of Ontario wheat growers, maritime fishermen, will be joined by any and every group that can make itself vocal enough.

Prime Minister King should make clear his government's attitude on this matter.

Responsibilities of an Editor

THE town of Bowmanville boasts one of the best weekly newspapers in Canada. Established 84 years ago it is the property of the James family. George W. James, its present editor, has, during the past year, been president of the Canadian Weekly Newspapers Association. He is one of the ablest editorial writers in Canada.

The Weekly Newspaper Association recently held its annual meeting in Vancouver. While attending the Pacific coast deliberations, Editor James turned his editorial page over to various community groups as a forum for their ideas. The first week the town council sat in the editorial chair; then the Lions and Rotary Clubs followed suit.

Newspapers all over Canada have referred to this as an interesting and enterprising stunt. They imply it was a successful experiment. But was it?

Judged by the claptrap contributed in the leading editorial by the town council, the experiment has put the Statesman in a most anomalous position. It has permitted some anonymous person—vaguely identified as a member of the town council—to place on record in its editorial columns such inaccurate, misleading and inflammatory statements as these:

> That in Canada 15 families control 40% of the wealth.
>
> That one person gets 58.9% of the national income.
>
> That in Canada the million dollar income is taxed 9.8% while the workingman's sugar is taxed 20%.
>
> That under our economic system "many sow that a few may reap."

These are but typical.

Surely an editor has an obligation to his community to assume some responsibility for the statements made in the editorial column of his paper!

He may open it to a fair debate on opposite sides of some public question. But should he permit it to be the vehicle for mendacious propaganda?

The editor of the Statesman, when he gets home from his trip, should explain to his readers what he thinks about such misrepresentations.

Business Forecasting Is Not Easy

THE best informed students of business and finance are seldom able to call the turn either in a boom or a depression, in a bull market or a bear market.

No one will deny the standing of Col. Leonard P. Ayres of Cleveland as a business economist with an original and penetrating mind.

Yet on June 15 Col. Ayres expressed gloom about business prospects. He said:

> "During the four last months of 1937 business activity dropped with almost unprecedented rapidity and by the beginning of this year had reached a kind of depression floor.
>
> "That floor has proved during the first six months of this year not to be a level one but rather a downward tilting one. So far there have been no convincing indications that it is even levelling out."

Two months later, on August 15, Col. Ayres said:

> "It seems probable that the bottom of this renewed depression was reached in June."

Wasn't it Col. Ayres who said, a few years ago, that "what we need is some economists 200 years old"? We doubt if he has changed his mind on this.

No business forecaster lives long enough to acquire the experience that will enable him to be right every time he ventures an expression of opinion as to the outlook. Some of them, like Roger Babson, do not let their foolish forecasts worry them. They keep on making new ones. They rely upon the short memories of the public. Mr. Babson, for example, knows that people are not going to tax him with the statement he made about the time Britain went off the gold standard, that all gold would be good for would be false teeth and picture frames.

Sales Tax Chiselling

LAST week we made some enquiry about a ready-to-build summer house in which we were interested. A salesman handed us a catalogue and explained we could buy any of the houses shown at a 5 per cent discount during August and September.

Pressed for the reason he said it was to "keep things moving."

Was this salesman ignorant or was he deliberately concealing the fact that the catalogue had been printed prior to the removal of 8 per cent sales tax on building materials?

A similar experience was recounted recently in Printed Word.

It tells of a handyman who went to buy a gadget for which he had paid 90 cents in the past. It was still priced at 90 cents, although Mr. Dunning's budget of last May specifically removed the 8 per cent tax from this type of builders' hardware.

The excuse was that "a lot of new prices are coming through and we've not had time to post them up yet."

How many dealers throughout Canada are trying to maintain an unfair profit on items bought or priced before the tax was removed?

How many are trying to take credit to themselves and advertise "bargain" prices rather than tell customers the true fact about building materials and the sales tax?

Editorials in Brief

Almost Every Day we receive a column of well-written publicity about the New York World's Fair.

As yet there has been scarcely a word about Canada's participation.

What part is Canada playing in the big fair? Will our show be worthy of this country? Will it do a really first-class merchandising job for Canada among the hundreds of millions who will attend?

Or will we miss the boat by repetition of the same old "jars-of-fruit, stuffed-animal" performance that marred our exhibits at both Paris and Glasgow.

* * *

Lethbridge Herald has calculated how much Mr. Aberhart owes the people of Alberta.

Elected in August, 1935, he asked a year and a half to get Social Credit started. That leaves about a year and a half during which his $25 monthly dividend should have been enriching the lives of Albertans.

The balance owing on the Premier's promissory notes is about $170 millions.

* * *

It seems a pity, remarks the Searle Grain Co., bulletin:

> "That the International Wheat Committee should have spent so much of its time and the people's money, endeavoring to bring about a curtailment of wheat production instead of striving to bring about a freer distribution of that important food, which would make it more easily available to the millions of people in the world who today so badly need it, but who unfortunately, because of restrictions against trade, are deprived of its enjoyment and use."

And especially, we agree, since efforts to restrict acreage have proved absolutely futile and fortunately for a superior wheat producer like Canada will continue to do so.

* * *

Somerville, Mass., made the headlines recently because it had a "maiden" assize celebrated by the traditional British custom of a pair of white gloves for the presiding judge. There had not been a single arrest in 34 hours.

About the same time, King's County, Prince Edward Island, was observing a similar occasion. But when Judge Arsenault was handed his white gloves he reported he had been holding assizes there for 17 years and in all that time not a single criminal charge had been included in the docket.

* * *

Alberta's red and white license plates worry us. Surrounding the number itself is the startling information: "Alberta—Expires March 31, 1939."

Is this a form of prophecy inspired by the teachings of Premier William Aberhart's Prophetic Bible Institute?

* * *

A Marine Expert writing in the Port of London Authority Monthly says that in the ship of the future decks will be glass enclosed "to decrease wind resistance as well as to protect passengers from the breath of the sea."

Those who want a taste of sea air en route will apparently have to make special arrangements with the captain.

Sayings of the Week . .

"Beware of exaggerated nationalism as of a real curse."—*Pope Pius.*

* * *

"We live in a radio broadcast age, the consequence of which no man can measure."—*Owen D. Young.*

* * *

"In politics, as in road making, it is a great thing, Mr. President, to know how to build bridges."—*Prime Minister Mackenzie King.*

* * *

"The people of the United States will not stand idly by if domination of Canadian soil is threatened by any other Empire."—*President Roosevelt.*

* * *

"We are prepared to go on building bridges, to fill the span of friendship and of freedom across the troubled waters of our time."—*Prime Minister Mackenzie King.*

* * *

"There can be no power development along the St. Lawrence River unless all the governments concerned consent, and there will be no consent from my government." — *Mitchell F. Hepburn, Premier of Ontario.*

* * *

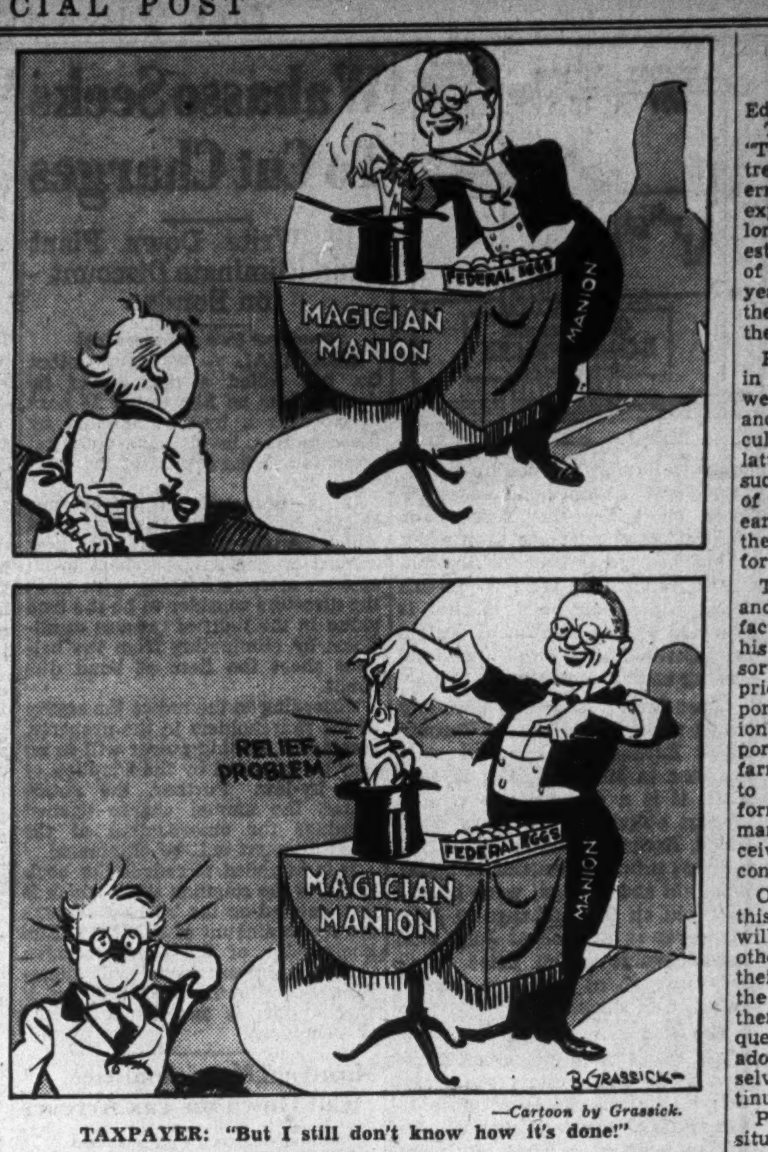
"I look forward to the day when a Canadian Prime Minister and an American President can meet to dedicate, not a bridge across this water but the very water itself, to the lasting and productive use of their respective people."—*President Roosevelt.*

* * *

"Submarines are just as menacing to America today on account of the extension of their range of effectiveness as they were to Great Britain when the last war broke out." — *Lord Beaverbrook.*

* * *

"No tribunal can be impartial if it acts as combined investigator, prosecutor, judge and jury. This tyrannical procedure, now standard practice for the National Labor Relations Board under the Wagner Act, has no place in democracy."—*Tom Girdler.*



—*Cartoon by Grassick.*

TAXPAYER: "But I still don't know how it's done!"

Post-Scripts . . . .

Octogenarian

Someone should write a book about Sir Frederick Haultain, Saskatchewan's 80-year-old Chief Justice who is shortly to marry Mrs. W. B. Gilmour, a Montreal lady in her sixties.

SIR F. HAULTAIN

He has been on the bench now for 26 years—almost a generation. Yet his political career, which started just half a century ago, stands as one of the most colorful in Canadian political history.

Frederick Haultain was only three years old when he left Woolwich, England. The family settled in 1861 at Peterborough, Ont., where he received early schooling. His more advanced education was acquired in Montreal and Toronto. Called to the Ontario bar in '82 he dallied two years in Toronto, then in '84 hung out his shingle at MacLeod, N.W.T., now Alberta. His father, Col. F. W. Haultain, had in the meantime entered politics and represented Peterborough riding for two terms under Sir Oliver Mowat.

In '87 Lord Boyle, Irish peer on the Territories advisory council representing MacLeod, resigned to return to his homeland. The enterprising Frederick Haultain who had quite a legal practice among cowboys succeeded him by acclamation. Thus started a political career, reverberations of which are still heard.

* * *

He became head of the advisory council of the Territories and had a run-in with Lieut.-Governor Royal who controlled the Territories under Federal authority. He ignored his advisory council and after a three-year battle involving Sir John A. MacDonald, Lieut.-Governor Royal in a Speech from the Throne announced the federal Parliament had decided to give full control of expenditures to the Territories assembly.

Feeling himself on sure ground as the result of his victory for the Territories he tackled the question of provincial autonomy which was entwined with the contentious separate school question. This precipitated one of the Dominion's keenest political battles in which figured the names of many politicians now dead—Roblin, Bulyea, Forget, Sifton, Scott, Borden, Laurier, Oliver, Fielding. R. B. Bennett minus titles was one of Mr. Haultain's vigorous Territories' opponents.

The entire press of Canada entered the battle, Orangemen, Hibernians, Catholics, Protestants and others became involved. Even the Papal Legate, Msgr. Sbarretti became the centre of the fight. Three stormy by-elections were fought in Ontario with the autonomy issue predominant. Speeches in the federal parliament on the famous bill topped the 2,000,000 word mark.

* * *

Haultain was leader in every fight with Ottawa. He wanted one province west of Manitoba. He had sufficient foresight to realize that a large area of land in what is now south Saskatchewan and Alberta was fit for grazing lands only. He also wanted provincial ownership of lands and resources and the right to tax the Canadian Pacific Railway properties, all of which seems to smack of Hon. T. C. Davis's brief to the Rowell Royal Commission not so many months ago.

To some extent Mr. Haultain was victor. Provincial autonomy was granted but in the form of two provinces, Alberta and Saskatchewan. But Walter Scott was chosen Saskatchewan's first premier while Haultain, heading the Provincial Rights party, remained in opposition.

While opposition leader Haultain once delayed the government's supply bill by staging a filibuster that lasted 60 hours and during that time he never left the building.

The last morning of the filibuster saw Haultain holding the fort from 6 a.m. to 9 a.m. when the "day shift" of opposition members was due. He was at loss for something to talk about.

A government member shouted "For night or Blucher." Haultain did not bat an eyelash. "No, for morning or Wellington," he shot back knowing that Wellington, the Moose Jaw member, would appear to relieve him.

* * *

Self-effacing

Sir Frederick, quiet in demeanor could take the hide off any member of the government with his sharp incisive remarks. Today he walks about the streets of Regina practically unnoticed. Only the old-timers know him. That is just what Sir Frederick wants. Self-effacement is a virtue with him.

His sterling character and integrity earned for him the respect even of those who did not see eye to eye with him on public affairs. Blessed with a tolerant disposition he has the outlook on life of a cultured Englishman.

He is a brilliant conversationalist when in the mood for talking. He was intensely interested in music in his younger days and sang in a church choir. Back in his college days he played football for Toronto Varsity and starred at tennis but when he took up golf, football and tennis were forgotten.

In 1912 he was elevated to the bench, becoming chief justice. In 1916 he was knighted by King George V.

* * *

Duke of Devonshire

When the report of the Oversea Settlement Board was under discussion recently in the House of Lords, the government case was in charge of the Duke of Devonshire, Under-Secretary of State for Dominion Affairs and chairman of the Oversea Settlement Board. The Duke made an excellent statement of population and immigration problems as affecting Britain and the Overseas Dominion.

This was one of the first important debates in which the Duke has appeared in the Upper House since the death of his father last May. He has been chairman of the settlement board and under-secretary since 1936 but until he succeeded to his father's title he has been known as Lord Hartington.

It was as Lord Hartington that the Duke accompanied his father on a farewell trip across Canada when the latter was terminating his tenure of office as Governor-General in 1921.

The official record of the trip records the Devonshire heir (then 26 years of age) made a brief speech at Vancouver and launched the Canadian Logger, a local freighter, at Midland.

* * *

Though he was but 21 at the time his father was appointed Governor-General of Canada, the young Marquis of Hartington had already started on a busy public life.

After serving as colonel of his Derbyshire regiment in Egypt, the Dardanelles and France, he was attached to the Intelligence service in 1916, first at the War Office and later with the British Mission in Paris. In 1919 he was a member of the British Peace Delegation to Paris, being honored with the Legion of Honor and created a Member of the Order of the British Empire. For two years (1919-21) he was mayor of Buxton and in 1918 and 1922 contested for Derbyshire in the general elections.

He now sits in the Lords and continues his work as under-secretary and chairman of Oversea Settlement. His "boss" is Lord Stanley who visits Canada this week to open the Canadian National Exhibition.

* * *

Bronson Family

Appointment of Frederick E. Bronson as president of the Ottawa Light, Heat & Power Co., the Ottawa Electric Co. and the Ottawa Gas Co. in succession to the late Hon. Thomas Ahearn, P.C., recalls the intimate connection the Bronson family has with the city of Ottawa and its public utility enterprises.

The new chief comes of a family which dates its Ottawa citizenship back to 1852. His father, the late Hon. Erskine H. Bronson, gave many years of useful service to his city and country. The grandfather, H. F. Bronson, achieved fame by giving the Tories in rock-ribbed Carleton County their first scare from a Liberal standard bearer.

In the Dominion election of 1882, Grandfather Bronson was asked to contest Carleton County in the interests of the Liberal Party.

A Liberal running in Carleton,

seat of the Orange Order in eastern Ontario and formidable citadel of Toryism? Unthinkable!

Nevertheless, Mr. Bronson elected to make the try and wound up by giving the Carleton Tories the only real scare they ever had. The fight was to have been between John Rochester, the sitting Conservative member; John May (Independent), and Mr. Bronson, who was carrying high the Liberal banner.

* * *

Mr. Bronson was well known to the farmers of Carleton. He had bought hay and oats from them for the Bronson lumber shanties, had hired their teams in the winter and sold them lumber. In all, he had been eminently fair and had gained their respect. And now he was a menace to Tory supremacy.

Mr. Bronson had not been long in the field before the Conservatives realized the danger in which he placed their "safe" seat. Party leaders asked Sir John Macdonald to save the riding, which he agreed to do. Accordingly Mr. Rochester retired and the Conservative candidate emerged victorious after a strenuous battle.

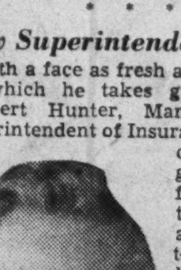
Erskine Bronson, father of the present head of the Ottawa Light, Heat & Power Co., was one of the organizers of the old Standard Electric Co., which was formed about 1890. In 1894 this became merged with the Ahearn and Soper interests and Mr. Bronson became a vice-president of the Ottawa Electric Co.

It is interesting to note how F. E. Bronson has followed the steps of the late Hon. Thomas Ahearn. Mr. Bronson was appointed to the Federal District Commission, designed for the beautification of Federal property in Ottawa, when Mr. Ahearn was chairman. Mr. Ahearn was president of the Ottawa Electric enterprises and now Mr. Bronson succeeds to the triple presidency.

* * *

New Superintendent

With a face as fresh as the flowers in which he takes great delight, Herbert Hunter, Manitoba's new superintendent of Insurance assumed office Aug. 5, graduating from the position of assistant superintendent which he has held since July, 1933.



HERBERT HUNTER

Mr. Hunter has as his background some 20 years spent in the service of the provincial government. The greater part of this was spent in the engineering department.

Born in Hull, Yorkshire, England, July 10, 1886, and with his preliminary education acquired in that city, Mr. Hunter came to Canada in 1904 and it was here that he obtained his engineering degrees. He went overseas with the 43rd battalion; was one of the fortunate few who emerged when few more than a hundred answered the roll call following a sanguinary engagement. He returned to Winnipeg in 1919 and joined the service of the provincial government with the reclamation branch, where he remained until 1930. He was then made relief works engineer in which position he remained until 1933 when he was drafted into the insurance department.

"I have found," he said, "the insurance fraternity in Manitoba fine people to work with and though we don't always see eye to eye they, nevertheless are always willing to co-operate and that helps a lot."

With hair just slightly greying,

Mr. Hunter is an immaculate dresser. He confesses to but one recreation and one hobby. It is gardening. His home on Aubrey Street in Winnipeg gives ample evidence as to the thoroughness with which he carries out this hobby and it is a marvel not only because of its beauty but also because it illustrates what may be done on an ordinary city lot.

The New National Policy

Editor, The Financial Post:

The editorial in your last issue on "The New National Policy" is extremely gratifying to me as a western farmer of over half a century's experience as an indication that at long last the eastern financial interests, who have had the determining of our fiscal policy for the past 60 years, are beginning to realize that the agriculturist has now reached the limit of his endurance

Protests have been made for years in many forms, some reasonable as were those of the Progressive party and the Canadian Council of Agriculture a couple of decades ago, and latterly some of the reverse type such as Aberhart and the extremists of the C.C.F. Undoubtedly had the earlier requests been acceded to there would have been no occasion for the latter.

The farmer is an individualist and, contrary to the protected manufacturer, most anxious to stand on his own feet. It is only as a last resort that has demand for a minimum price for his wheat—the most important money crop of the Dominion's economic structure—been supported by the more thoughtful farmer and then only in the effort to secure compensation in some form for the undue privilege the manufacturers have for so long received at his expense as the largest consumer of their products.

One can readily recognize that this concession to the wheat grower will be followed by demands from other primary producers to off-set their contributions to the profits of the protected industries and I am therefore delighted to note your query as to whether, when generally adopted, this policy of lifting ourselves by our boot-straps can continue.

Possibly this recognition of the situation by you, sir, may bring a more general recognition in the East of the serious nature of this problem and may lead to the elimination of the protective—as opposed to the revenue element of the tariff that has borne so heavily on the primary producers as well as the wage earners and smaller salaried people for so long.

It might very well be that such a change in our fiscal policy would automatically eliminate many of the causes of friction between the Dominion and the provinces.

F. J. COLLYER.
Welwyn, Sask.

Moving Toward Socialism

Ottawa Journal

With the western wheat grower guaranteed against loss, with the guarantee to be paid by the rest of us, the position arrived at is: That one producer, losing money, is taxed to see to it that another producer doesn't lose money. If that isn't robbing Peter to pay Paul, this even though Paul may be better off than Peter, what is it?

This, in truth, is the real trouble of the road we are travelling along—a road in which we steadily mix individualism with State paternalism; so much so that increasingly we are becoming hopelessly confused. Herbert Spencer, the greatest individualist thinker of his day (nobody reads him now), argued that State education was the beginning of Socialism. Once it was admitted, he held, that it was the duty of the State to pay for the improvement of the individual's mind it was only a step to admitting a State duty for the care of the individual generally.

Spencer may have been extreme, but the logic of his case is being established. Relentlessly, we're being driven into Socialism; so much so that at our present pace, and as a mere matter of justice, the State will soon have to take care of everybody. Certainly it can't go on providing for one class, ignoring or abandoning another.

Fixing Minimum Prices

Regina Star

At the present run of prices, the minimum fixed wheat price of wheat of 80 cents a bushel, Fort William, means that the Government will be paying a bonus to the wheat farmers. But the western farmer, who is caught heavily under the tariff imposed by the Dominion Government, need not feel that he is a mendicant if he takes something from the public treasury in view of what he has to contribute under the national policy of Canada.

Fixed prices are only an expedient to get around an acute condition. It is obvious that if the world does not want western Canada's wheat at a price that makes it profitable to grow it, then we better examine the situation to see what we ought to be doing instead of growing wheat.

But this rule also applies to the whole national economy. Why bonus industry? Why bonus the production of a pair of boots and not of a bushel of wheat?

So long as Canada is a high tariff country, with protection for one class and not for another, so long will people look to the government for a new deal.

If the farmers are starting to "ride" the governments for bonuses, the governments have themselves to blame for creating a national policy based on special privileges.

As Others See Us . . . .

Manion vs. Meighen

Toronto Star Weekly

In a letter to The Financial Post Mr. Bennett says: "It is incorrect to say that I actively opposed Dr. Manion. I actually supported Mr. Meighen for the leadership — not that I was opposed to Dr. Manion, but because I believed Mr. Meighen to be the best qualified man, under present conditions, for the leadership." It was, apparently, a case of "Not that I loved Manion less, but Meighen more."

And Mr. Meighen indicated that he had consulted Mr. Bennett before making his fiery ultra-imperialistic speech.

Manion and Stevens

St. Catharines Standard

The Financial Post voices concern over the wisdom of a Manion-Stevens alliance. But it is very doubtful if Mr. Stevens will inspire Dr. Manion in any radical reform series of radio broadcasts, as it is believed Mr. Herridge did with his distinguished brother-in-law. The Conservative leaders have undoubtedly read the lesson gained in the United States, that business and industry require their head and not government interference.

Small Town Opportunity

Guysboro Advocate, Truro

"Big town, big opportunity." Such is the general conception. But like many other generalizations, it is not even half true.

Those who have lived their lives in towns, not cities, realize, for the most part, that there is no life as conducive to general happiness and contentment as is town life. But town life offers more than an opportunity for a preferred form of living. The town is a place where a young man or young woman can carve out a name. In the town of Truro, for instance, businesses have been established that have done and are doing a continent-wide business. The same may be said of many another town.

The small town, adds The Financial Post, has always been a good place to live. Today, any disadvantages it may have had as to distances or isolation have disappeared. Traditional qualities of friendliness, freedom and fresh air have been enhanced by most of the amenities of "city" life.

Stop Me If . .

Britishers are apparently none too sure how to pronounce "Harewood," the family title now held by the former Viscount Lascelles, who married Princess Mary, the King's sister.

Recently Lord Harewood's two sons issued a special mimeographed edition of their own paper, "Harewood News," and decided to settle the question once and for all.

They told of an old woman overheard on a Leeds bus as saying: "Well Mrs. 'iggins, they can say what they like, but I shall always call it 'arewood with the haccent on the haitch."

Correct pronunciation, says Harewood News, is "Harwood."

Week in Business

Foundation is Laid For Big Fall Business

Sharp Gain Seen in Rural Purchasing Power, Exports, Lumbering in Next Few Months — Current Trade Somewhat Disappointing

Foundation for a brisk fall business in Canada now appears soundly in place. Present indications point to much if not all the losses of the first half of the year being made good in the final quarter.

Steady decreases in export trade have been halted and with business recovery continuing in United States and the situation no worse in Great Britain, revival in this connection is a reasonable assumption. In domestic trade the situation appears more generally satisfactory than at any time in the last eight years.

* * * *

Ever since 1930 Canadian business has been limping along without any substantial help from the West. Our economy has been like a six-cylinder car operating on four. Now, although the current wheat crop is not going to be quite as large as was expected at the beginning of July, nevertheless it will be the best total yield in some years, the price to the farmer will be the highest since 1929 and of even greater importance this harvest is going to be spread evenly over the three Prairie Provinces.

There should be no shortage of feed, with consequent heavy relief bills, in any considerable area. Other sections of agricultural Canada also report fair harvests, with prices generally holding firm. Net result will be a rural purchasing power about equal to last year's satisfactory volume in eastern Canada and British Columbia, with a big spurt from the West added.

* * * *

In urban Canada fall prospects appear to be equally promising. Heavy industry is expecting a fillip from British airplane and armament orders, with routine business being maintained at, at least, last spring's levels. Automotive manufacturers are preparing plants for an earlier and increased output of 1939 models. Furniture sales are increasing. Newsprint prospects are brighter than six months ago and the lumbering outlook definitely so.

* * * *

Current picture, on the other hand, is inclined to be disappointing. Unusually hot weather in August has delayed the start of fall buying in many areas. With the thermometer hovering around 90 degrees in mid-August there was little incentive to march Junior downtown for his new autumn suit. Neither was there much incentive for planning home improvements or heavy meals.

Heat wave business, of course, benefitted, with movement of beverages, fans, bathing suits, fresh fruits and similar products.

* * * *

Biggest disappointment, so far, has been the tourist trade, especially in Ontario, part of Quebec and Nova Scotia. Decreases from a year ago have run as high as 50% in some cases, although in British Columbia increases up to 33% are reported in those resort areas unaffected by recent forest fires. It is doubtful whether total loss will be nearly as serious as some doleful camp owners in central Canada predict. Port entries so far fail to show more than a moderate falling off in American visitors and toward the end of the season there has been some improvement. It is believed that owing to the rapid extension of tourist roads in the Maritimes, western Quebec and central Ontario, influx of holidayers is being spread over a wider area, which, of course, would be at the expense of some of the older summer resorts.

Business Indicators

Current business improved, with The Financial Post business index for July touching 110.1, up half a point from June and D.B.S. weekly for mid-August up same amount.

Carloadings for second week of August up about 8% over previous week, but still running about 14% below a year ago.

Railway gross earnings both lines within striking distance of same period a year ago, previously have been running far behind.

Iron and steel production shows sharp contraction in July.

Automobile output figures far behind in July as compared with same month in 1937, but shrinkage believed largely due to earlier change over this season in preparation for new models.

Foreign trade July. Total imports down substantially. Rubber imports jump. Lumber exports improving but still running slightly below a year ago.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus ▲.

	Aug. 13	Aug. 6	July 30	July 23	Aug. 14/37
Weekly index, D.B.S.	108.5	108.0	106.8	106.7	111.7
Commodity prices	76.6	77.2	78.0	78.6	85.9
	July	June	May	Apr.	Year Ago
Financial Post index	110.1	109.6	109.6	110.5	123.8
Retail trade index no. of sales	....	....	80.3	76.2	80.3
Dept. store sales "	....	75.9	74.4	73.4	80.1
Wholesale index no. of sales	....	....	100.3	95.5	100.4
Country sales (% of gains)	....	....	1.6	*2.2	8.6
Employment D.B.S. Index—	July 1	June 1	May 1	Apr. 1	Year Ago
All industries	113.5	111.9	107.4	105.0	119.1
Manufacturing	111.8	112.3	110.6	110.8	119.0
Living costs♦	....	$17.43	$17.36	$17.48	$17.20

	1938	1937	Jan. 1 to date 1938	Jan. 1 to date 1937
Railways—				
Carloadings, week (Aug. 13)	▲43,569	51,006	1,395,462	1,534,289
C.N.R. gr. earn., wk. (Aug. 14)	$▲3,263,616	$3,571,071	$103,414,901	$118,752,396
C.P.R. gr. earn., wk. (Aug. 14)	$▲2,458,000	$2,579,000	$77,389,000	$84,010,000
C.P.R. net revenue (June)	$511,406	$1,195,111	$2,681,028	$8,260,153
C.N.R. net revenue (June)	$•770,582	$435,188	$•5,679,982	$6,667,948
Iron and Steel (July)—				
Pig iron production (tons)	▲51,238	79,736	455,396	503,680
Steel ingots and castings prod. (tons)	▲83,927	122,968	754,668	836,145
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (June)	9,235	14,380	61,023	76,662
Factory output (July)	▲5,273	12,513	81,375	110,070
Trucks and Buses:				
Domestic sales* (June)	2,389	3,617	15,585	17,736
Factory output (July)	▲5,273	12,513	81,375	110,076
Exports (July)	▲4,760	8,127	39,720	42,614
Financing (July)—				
Used	$▲3,675,293	$3,919,664	$23,146,388	$23,146,207
New	$▲2,701,816	$4,375,854	$22,747,476	$28,094,133
Construction—				
Production—				
Cons. contracts (July)	$21,158,200	$21,485,300	$101,813,400	$131,861,100
Cement, bbls. (May)	545,310	557,294	1,418,414	1,337,323
Clay (May)	379,824	379,967	1,135,561	1,110,631
Gypsum, tons (June)	▲158,521	161,978	337,194	377,908
Agriculture—				
Flour prod., bbls. (June)	969,207	1,000,879	5,511,129	6,059,499
Flour exp., bbls. (July)	282,985	334,964	1,934,316	2,411,671
Wheat exp., bus. (July)	7,248,115	8,602,689	33,031,976	52,326,724
Cattle sales (June)	▲50,326	69,931	323,849	365,453
Hog sales (June)	▲45,593	83,935	366,244	523,811
Sea Fisheries (June)—‡				
Catch, cwts.	847,490	759,940	3,108,615	3,072,143
Landed value	$2,110,240	$2,063,670	$6,079,732	$6,741,348
Newsprint (tons)—				
Production (July)	▲202,546	314,529	1,462,417	2,102,289
Exports (June)	194,520	306,645	1,103,286	1,631,583
Mining and Oils—				
Coal prod., tons (June)	923,113	1,067,684	6,891,020	7,026,099
Coal imports, tons (June)	1,609,610	1,944,920	4,978,557	6,247,986
Gold prod., fine oz. (June)	▲390,693	344,895	2,218,168	1,973,251
Nickel prod., lb. (June)	▲16,327,169	20,959,736	108,995,141	111,386,337
Copper prod., lb. (June)	▲48,489,958	42,549,292	292,048,917	243,604,966
Crude pet. prod., bbls. (May)	566,086	192,845	2,381,771	852,500
Crude pet. imp. bbls. (July)	▲4,066,571	4,706,379	17,518,032	19,070,663
Electric Power Output (June)—				
Total monthly m.k.h.†	1,973,155	2,255,338	12,715,039	13,756,132
Trade—				
Imports (July)	$▲55,822,529	$71,995,940	$392,514,764	$452,811,629
Exports (July)	$78,719,799	$100,142,396	$494,399,446	$636,417,371
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (July)	▲165,910	171,241	922,002	1,033,875
Boot & shoe prod., pr. (June)	1,714,770	2,226,062	10,946,853	12,483,211
Cotton, raw, imports lb. (May)	3,605,041	8,679,224	46,305,322	60,073,701
Raw rubber imp., lb. (July)	▲6,015,658	4,358,908	31,361,166	37,686,098
Cigarette cons. (July) No.†	▲638,703	654,313	3,870,562	3,710,174
Sugar manufactured, lb.§	86,266,450	67,278,417	370,140,908	342,788,138
Finance—				
Bank debits (June)	$2,730,578	$2,891,917	$14,585,068	$18,186,008
Bond sales (July)	$96,976,124	$109,714,875	$722,828,361	$829,097,565
Life insurance (June)	$35,120,000	$37,700,000	$190,049,000	$193,116,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.

†000's omitted. §For four weeks to July 16, 1938.

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

♦For average family per week, food, fuel, rent. •Deficit. *Decrease.

Foreign Business

United States Department of Commerce summarizes foreign trade as follows:

United Kingdom—The burden of heavy stocks on industry and commerce was emphasized in July and early August by holidays and though industries are busy in departments catering to government orders, the normal types of business are slower than usual.

Finland—Despite a slackening of industrial production, and a foreign trade movement somewhat below last year's high level, the economic situation remains good and the agricultural outlook is satisfactory.

Yugoslavia — General conditions are better than last year despite a decline in exports; industry remains active and mineral production has improved.

Union of South Africa—The overtrading and overstocking of last year still exert a depressing influence on business, but the retail trade expects improvement with the arrival of cooler weather; agriculture was favored in June by weather conditions and gold production set a new high value record in that month.

Japan — Business hesitancy was particularly noticeable in early August, as the Manchurian border incident overshadowed all other influences; it is now expected that the new exchange and export indemnity measures will be used chiefly by metal industries and manufacturers of export goods using chiefly domestic materials.

Nicaragua—The condition of the principal food crops is discouraging, owing to prolonged drought, and although rains occurred at the beginning of August, it is doubted whether later sowings will prove successful.

U.S. Threat Seen To B.C. Lumbering

Attempt to Force Stamping Country of Origin on Product

From Our Own Correspondent

VANCOUVER.—British Columbia lumbermen see in the attempt of United States sawmill interests to have all lumber imports marked with the name of country of origin another effort to frustrate Canadian foreign shipments.

Under a customs ruling which American lumbermen are trying to have made effective Sept. 1 all lumber from Canada shipped into the United States would be stamped "Produced in Canada." American retail yards have notified B. C. mills that if this provision becomes effective they would be unable to place orders for Canadian lumber on account of the uncertain political situation and the fear of prejudice against foreign goods.

Such a restriction would greatly reduce sales of B. C. lumber in the United States. Under the Canadian-American trade agreement B. C. mills are already confined to a quota of 250,000,000 ft. of Douglas fir and hemlock annually, and this has never been filled. However, a business worth more than $3,000,000 a year has been developed.

One interpretation of the American marking proposal here is that the Northwest mills in Oregon and Washington would have this as a bargaining element in negotiations for a greater share of the Empire market. The suggestion is that the Americans would hold the marking order as a threat.

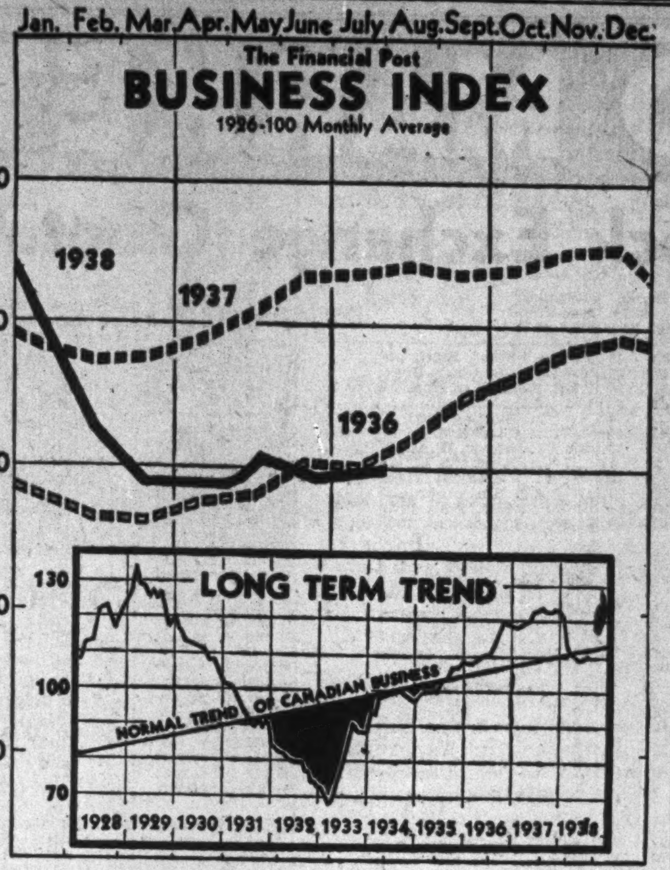
Importance of the British market was again demonstrated to British Columbia's lumber industry in July, when sales exceeded 82,000,000 board feet, the highest volume for a single month on record.

Canal Traffic Reflects Activity of C. S. L. Boats

From Our Own Correspondent

MONTREAL.—Indicative of the volume of traffic handled by the Canada Steamship Lines, the Government reports that traffic through the Welland Ship Canal in July amounted to 1,529,330 tons, compared with 1,633,616 tons in the same month last year.

The movement through the St. Lawrence canal aggregated 1,178,255 tons, compared with 1,285,873 tons in July, 1937.



GAINING GROUND

General level of Canadian business gained some ground in July and further moderate recovery is expected to be shown for the current month. Favorable factors have been a substantial recovery in mineral and lumber exports, ripening of the biggest western wheat crop since 1932, prospect of airplane and munitions orders, and a business revival in United States. Of an offsetting nature have been a considerable decline in iron and steel manufacturing, largely the result of the seasonal slow-up in automobile production pending introduction of new models, and some slackening in output of foodstuffs aside from milling.

The Financial Post Business Index rose fractionally to 110.1 for July, around the best level for several months but still very considerably below the point reached at this time a year ago.

Major Economic Factors

		July, 1938	July, 1937	Incr.+ Decr.—	June, 1938
F. P. Business Index	1926 = 100	110.1	123.8	—11.1	109.6
Common stocks	1926 = 100	106.9	133.0	—19.6	100.0
Wholesale prices	1926 = 100	78.6	87.5	—10.2	80.1
Capitalized bond yields	1926 = 100	158.8	144.9	+9.6	101.9
Bank deposits	1926 = 100	121.8	120.3	+1.2	121.3
Copper exports	cwt.	472,184	434,710	+8.6	421,034
Nickel exports	cwt.	145,765	175,015	—16.7	94,152
Zinc exports	cwt.	273,806	403,017	—32.1	168,758
Asbestos exports	tons	14,170	16,800	—15.7	16,306
Sugar manufactured	lb.	86,266,450	67,278,417	+28.2	94,408,309
Cheese factory	lb.	21,295,463	24,634,633	—13.6	21,984,173
Butter, creamery	lb.	38,916,360	35,731,659	+8.9	40,840,771
Crude rubber imports	lb.	6,015,658	4,358,908	+38.0	7,264,134
Raw wool & yarn imports	lb.	1,694,185	1,401,109	+20.9	915,765
Newsprint production	tons	202,546	314,529	—35.6	201,694
Planks & boards exported	M. ft.	165,910	171,241	—3.1	166,177
Shingles, exported	squares	318,270	183,009	+73.9	37,431
Steel ingots	L. tons	86,500	122,968	—29.7	109,401
Pig iron	L. tons	51,235	79,736	—35.7	64,375
Automobiles	No.	9,007	17,941	—49.8	14,732
Petroleum imports	gal.	142,330,000	164,723,274	—13.6	137,602,000
Carloadings	No.	182,643	219,290	—16.7	187,467
Exports	$	78,719,799	100,142,396	—21.4	78,307,834

Commodities

Aside from wheat, a most important exception so far as Canada is concerned, commodity markets continue recent tone of firmness. Observers for the most part look for this trend to be maintained. Moderate gains in futures confirm the view.

Purely industrial lines like copper and other base metals, hides, rubber and silk are holding or increasing slightly the gains of the last few months. Cotton has been firmer, but here like wheat a political and crop maturing situation is involved and future appraisal remains difficult.

Livestock prices, after some minor readjustments both ways, appear stable and Canadian farmers are anticipating that fairly profitable levels will be continued throughout the fall. To the farmer, too, fairly profitable wheat prices seem assured with the Canadian Government minimum for western wheat of approximately 80 cents per bushel.

American and European observers remain cautious but moderately bullish regarding price outlook. With some obvious exceptions they predict prices holding around present levels or slightly above for fall delivery, barring, of course, accidents like war.

Price Range	Latest week	Previous week	Same week last yr.
Cattle	$7.35	$7.60	$10.00
Hogs	10.65	10.50	11.60
Copper, lb.	.10¼	.10⅛	.14
Cotton, lb.	.0840	.0825	.0999
Rubber, lb.	.1632	.1600	.1825
Sugar, raw, lb.	.0275	.0275	.0360
Silk, lb.	1.73	1.72½	1.94
Wheat, Man. (bus.)	.73¾	.77¾	1.28
Coffee, lb.	.05½	.05½	.09⅝
Hides	.11½	.11½	.16¾
Weekly Indices			
Canada (D.B.S.)	76.6	77.2	85.9
Do., Wood, Gundy	56.1	56.1	83.8
U. S. Labor	77.9	78.5	87.5
Dow Jones (future)	47.91	46.79	63.46
Crumps (Brit.)	72.4	72.7	84.2
Fishers'	79.9	80.2	91.9
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (June)	84.1	84.2	82.9
W'sale (June)	80.1	80.3	84.6
U. S. (June)	78.3	78.1	87.2
Gt. Brit. (Apr.)	103.1	104.1	108.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

Bell Stock Plan

MONTREAL. — Bell Telephone Company of Canada has notified the Montreal Stock Exchange that 11 additional shares of capital stock had been issued in connection with the Employees Stock Plan. A total of 798,008 shares have now been issued.

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

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Background of Business

Tourism Dwindles

Varying estimates have been made of the decline in tourist traffic in Canada this summer. But there seems no doubt that total volume has dropped, though some districts report that business is as good as last year. Official figures supplied by the immigration authorities show total of persons crossing the international boundary during the first six months at approximately 6.1 millions, a decrease of 4%. Number of autos entering Canada showed a decline of only 2%.

A decline of 5% in the number of cars entering and 10% in the number of their passengers is reported by the August letter of the Canadian Bank of Commerce, in regard to "several major points of entry in eastern and central Canada along the American border." The letter believes that an even greater decrease has been registered by tourist spendings, and that total tourist trade for the year will show a 15% drop under last year's volume of $295 millions.

* * *

Television Progress

Development of television broadcasts and reception on a practical basis appears to be making more rapid headway in England than elsewhere, reports H. L. Southall, in Hardware and Metal. The London hotel at which he stayed on a recent visit had two television broadcasts daily, which guests could enjoy with out charge. In London stores, he reports, television machines with small screens are available at about the same price as good radio sets in Canada. Their only drawback was that the room has to be darkened for reception of a programme.

* * *

Synthetic Wool

Trial of synthetic wool products is now progressing in three countries. Most recent scene of efforts to develop synthetic wool is the United States, where both research workers of industrial chemists and government departments are experimenting in the field. Some success has been reported in the industrial research, using both woodpulp substances and casein, a derivative of milk. Recently the U.S. Department of Agriculture announced that two of its research workers had developed from casein "a synthetic fibre having the appearance of wool." Patents are being sought for the process, which is similar to the viscose process for making rayon.

A somewhat different process for making casein wool fibre was announced in Italy three years ago, and production is already on a commercial scale of fabrics consisting half of wool, half synthetic fibre. In Germany, efforts to produce synthetic wool have been concentrated on the woodpulp method, and already Germans are threatened with being forced to wear all-synthetic clothes in case of war or other national emergency.

* * *

Fur Prices Strong

WINNIPEG.—The August auction sale of raw furs held by Dominion Fur Auction Company was the best attended by outside buyers for several years. Prices were generally strong, registering substantial advances and competition for most classes of furs was keen. New York was the principal buyer.

Raw fur prices often indicate well in advance general trend of business and especially commodity values.

The market at present here is almost bare of furs and indications are that prices will continue to be strong for some time. The western catch over the past season was not large and it is too early, of course, to forecast the coming winter.

Muskrats, of which there were more than 120,000 in the offering, registered the greatest price advance. Skins suitable for use as naturals, together with large and extra large sorts, advanced 15% to 20% while mediums and smalls, damaged and winters advanced 50%.

First as usual!
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For over 3 years
EXPORT has offered Canadian smokers the best Virginia Tobaccos and the many advantages of "Aquafuge" Moisture proof Paper

If it weren't for this book . . .

AWARDED an honored place in millions of homes all over Canada and the United States is a little book.

It is a premium receipt book in which an agent personally records small weekly premiums — frequently only five or ten cents—paid by persons of modest means for life insurance.

These people buy life insurance just as they do other necessities—in small amounts. If weekly premium insurance were not available, millions of them could afford no life insurance at all.

"Industrial insurance," as this type is called, is somewhat more expensive than other types of life insurance because it costs any insurance company more to handle. For example, company agents make regular calls at the homes of policyholders for the collection of premiums. Under an industrial life insurance policy on which premiums are collected for twenty years, an agent may make over a thousand such calls.

And the death rate of industrial policyholders is 40% greater than the death rate of those having standard ordinary policies —a fact which necessarily makes industrial insurance cost more.

Throughout the years, consistent progress has been made in liberalizing the terms of industrial insurance policies and providing more benefits for less cost. For instance, more than ten years ago Metropolitan introduced its Monthly Premium Industrial policy to reduce the cost for policyholders able to pay on a monthly basis.

Apropos of these efforts, the Insurance Examiners of the State of New York, after recently completing an examination of the Industrial Department of the Metropolitan, made this comment:

"As at present operated it (Industrial insurance) grants insurance at a cost low enough to compare favorably with the cost under Ordinary insurance and is broad enough in scope to embrace a very considerable portion of the total population."

In 1937, Metropolitan paid $234,266,144 to Industrial policyholders and their families. In their hour of need, these people of modest means found the little premium receipt book a friend indeed!

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
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Frederick H. Ecker
CHAIRMAN OF THE BOARD
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METROPOLITAN LIFE INSURANCE COMPANY
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Please send me a copy of your booklet, "Industrial Life Insurance."
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STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 22

Range 1938 High	Low	Div R'te $	Aug20 Y'ld %	Company	Sales	Last Aug. 15	Week end. Aug. 22 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	7495	3.12	3.37	3.00	3.25
29	8½	.	...	Do. pref. 6%	1780	24	26	24½	25½
38	25	.	...	Do. pref. 7%	25	31	31	31	31
26⅜	9	.	...	Do. cert. dep.	....	(26⅜ July 27)			
*6⅜	2½	30c	...	Acadia Sugar	....	(2 bid 4½ asked)			
7	5	50c	...	Acme Glove	....	(5½ bid 7 asked)			
82	70	6.50	9.3	Do. pref.	....	(60 bid 75 asked)			
11	8½	60+20c	..	Agnew Surp.	30	11	11	11	11
110	103	7	6.7	Do. pref.	11	103	105	103	105
5¼	2	.	...	Alta. Pac. Gr.	....	(3⅜ bid 4½ asked)			
29	10½	.	...	Do. pref.	170	27	29	26½	29
127	75	.	...	Aluminium	....	(122 bid 124 asked)			
107	107	6	5.6	Do. pref.	10	..	107	107	107
3	2	.	...	Amal. Electric.	....	(2⅜ bid 3 asked)			
30	25	.	...	Do. pref.	15	26½	28	25	25
26¼	23	60+$1	..	Amer. Cyn. B.	....	(23 July 7)			
85	47	2+1.50	4	Asbestos	2710	78½	85	79	85
16	11½	80+25c	6.5	Assoc. Brew.	230	15½	16	16	16
111½	106⅜	7	6.3	Do. pref.	....	(111 bid 118 asked)			
*6½	6½	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
43½	34	84c	...	Do. pref.	....	(36 bid 37½ asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(100 bid — asked)			
				B					
164	160	8	4.9	Bk. Can. Nat.	40	161	164	161	164
223	195	8	3.7	Bk. Montreal	109	213	215	212	214
310	290	12	3.9	Bk. N. Scotia	40	308	310	306¾	306¾
249	227	10	4.3	Bk. Toronto	12	237	237	232½	237
6	5	.	...	Barcelona	....	(5 bid 5½ asked)			
9	4½	96c	...	Barker's Bread	50	5	5	5	5
40	30	2.50	8.3	Do. pref.	....	(— bid 40 asked)			
11½	6½	25c	...	Bathurst Pr.	430	9½	9½	9½	9½
5	2	.	...	Do. (B)	200	4	4	3½	4
2⅜	1½	.	...	Bawlf Grain	200	1⅜	2	1⅜	1⅜
29	15	.	...	Do. pref.	....	(20 bid 26 asked)			
2	2	.	...	Beath & Sons	....	(1⅜ bid 3 asked)			
15	8	.	...	Beatty Bros. A	....	(9⅜ bid 11 asked)			
106	90	6	6.2	Do. pref.	....	101 bid 101½ asked			
105	80	7	7.2	Do. 2nd pref.	....	(— bid 99 asked)			
5⅜	2	.	...	Beauharnois	1300	3⅜	3⅜	3½	3⅜
*107	100	4	3.8	Belding Cort.	....	(— bid 100 asked)			
135	129	7	5.3	Do. pref.	75	129	131	131	131
166½	146½	8	4.8	Bell Telephone	685	164	165½	164½	165
11⅜	8	50+12½c	7	Biltmore Hats.	125	8	8	8	8
5	3	.	...	Blue Ribbon	....	(3½ bid 4½ asked)			
35	28½	2	7	Do. pref.	10	31	28½	28½	28½
25	21	1.30	5.4	Brant. Cord. pf.	100	24	24	24	24
14½	7½	1	...	Brazilian Tr.	1420	11⅜	11⅞	11½	11½
7½	4⅜	50+50c	..	Brew. & Distil.	250	5	5⅜	5½	5½
6	5½	30c	...	Bright, T. G.	....	(5½ Apr. 7)			
80	77	6	7.8	Do. pref.	....	(66½ bid — asked)			
21⅞	16⅜	1	4.6	Brit. Amer. Oil	3863	21⅜	21⅜	21	21
16	9	.	...	B. C. Packers	45	14	14	13½	13½
34	25	2	6.4	B. C. Power A.	669	30½	31	30	30½
5½	2½	.	...	Do. (B)	80	3⅜	4	3⅜	4
4⅜	2½	.	...	Bruck S. Mills	375	3½	4	3⅜	4
60	5†	2+50c	4.4	Building Prod.	149	58	56	54	54
14½	9½	60c	4.6	Burlington Steel	50	13	13½	13½	13½
3	2	25c	...	Burry Biscuit	....	(— bid 4 asked)			
*60	30	3	...	Do. pref.	....	(— bid — asked)			
25	16½	1.20	4.8	Burt, F. N.	195	23	25	22	22½
				C					
*105	100	.	...	Calgary Power	....	(— bid 85 asked)			
88	83½	6	6.8	Do. pref.	....	(88½ bid — asked)			
7	2	.	...	Canada Bread	170	5	5	4½	5
92½	80	5	5.5	Do. pref.	....	(92 bid — asked)			
50	40	2.50+12½c▲		Do. pref. B.	....	(40 bid 50 asked)			
9	4⅜	40c	8	Canada Bud	255	5	5	4⅜	4⅜
13	7	.	...	Canada Cement	1440	10½	10½	10	10
110	84½	4.50+2▲	.	Do. pref.	295	96	96	94	95½
27⅞	26⅜	12½c●	..	C. & D. Sugar.	737	27⅜	27⅜	26½	26½
b21½	12½	.	...	Canada Dry	9500	17⅜	19½	17⅜	18½
17	9	1.25	...	Can. Forg. (A)	45	14	13	13	13
10	7½	.	...	Do. (B)	....	(9½ bid — asked)			
30	30	.	...	Can. Iron	....	(30 Apr. 7)			
70	70	3.50	...	Do. pref.	....	(— bid — asked)			
36½	28	1.50+50	6	Can. Malting	358	31⅜	32	30	31½
20	16⅜	1.20	7	Can. Nor. Pr.	169	16⅜	17½	17	17½
110	103	7	6.4	Do. pref.	111	109	110	109	109
72	58	3	4.3	Can. Packers	5	69½	71	71	71
*7	1⅜	.	...	Can. Paving, pf.	....	(— bid 2 asked)			
150	128	8	5.9	Can. Perman.	44	135	136	134	136
7	6	50c	...	Can. Starch	....	(7 July 11)			
107	105	7	6.7	Do. pref.	....	(105 bid — asked)			
4⅜	1½	.	...	Can. Steamsh's.	291	3½	3½	3½	3½
16⅜	6½	50c●	...	Do. pref.	427	14	14½	13	14
17½	13	1.20	7.6	Can. Vinegars	140	16	16½	15⅞	15⅞
67	47	.	...	Can. W. Cable.	37	50	50	49	49
22	15	.	...	Do. (B)	75	16½	17	15½	17
97	97	6.50+10▲	..	Do. pref.	....	(95½ bid — asked)			
3	1½	.	...	Can. Bakeries	....	(— bid — asked)			
30	25	.	...	Do. pref.	....	(28 bid 30 asked)			
178	157	8	4.5	Can. Bk. Com.	226	176½	177	175	177
2.50	1.10	.	...	Can. Breweries	1176	1.85	2.00	1.80	2.00
32	14	2	9.5	Do. pref.	185	21	21	20⅜	21
41	28½	1.50+50c.	..	Can. Bronze	....	(37 bid 41 asked)			
106	102⅜	5	4.8	Do. pref.	....	(104 bid — asked)			
6	4	.	...	Can. Canners	....	(5½ bid 6 asked)			
19	15½	1	5.4	Do. 1st pfd.	127	18½	18½	18½	18½
9	6½	60c	7	Do. 2nd pfd.	55	8½	8½	8½	8½
18½	7½	.	...	Can. Car & Fd'y	4260	15½	16⅜	15½	16½
30	18½	1.75	6	Do. pref.	971	28	29	28½	29
20	9	.	...	Can. Celanese	156	13½	14	14	14
107	90	7	7.3	Do. pref.	200	96	96	96	96
20	15	1	...	Do. Rights	....	(17½ bid — asked)			
10½	6	.	...	Can. Convert.	5	9	8	8	8
76	63	4	5.6	Can. Cottons	....	(66 bid — asked)			
108	99	6	6.1	Do. pref.	....	(99 bid 103 asked)			
35	21	.	...	Can. Dredge	45	22	25	22	25
102	100	6	6	Can. Fairb. pf.	....	(105 bid — asked)			
19	10	1.60	10.6	Can. For. Inv.	12	15	15	15	15
105	100	8	8	Do. pref.	....	(— bid 101 asked)			
194	175	6	3.2	Can. Gen. Elec.	....	(170 bid 225 asked)			
8½	7½	50c	5.9	Can. G. Inv.	....	(8½ bid — asked)			
4⅜	2½	.	...	Can. Ind. Alc.	2382	2⅜	2⅜	2⅜	2⅜
4	1½	.	...	Do. (B)	240	2⅜	2½	2½	2½
209	178	4.50	...	Can. Indust. B.	....	(205 bid — asked)			
165	155	7	4.2	Do. pref.	....	(165 July 27)			
1	1	.	...	Can. Int. I. Tr.	....	(— bid 100 asked)			
*90	70	5	...	Do. pref.	....	(— bid 80½ asked)			
15½	13	1	7.7	Can. Lt. & Pr.	....	(13 bid 15 asked)			
10½	5½	.	...	Can. Locomo.	....	(8 bid 12 asked)			
1.65	.90	.	...	Can. Marconi	175	1.30	1.25	1.20	1.20
16	10	50+12½c	5	Can. Oil	100	12	11½	11½	11½
123	110	8	6.6	Do. pref.	....	115 bid 121½ asked			
8½	5	.	...	Can. Pacific	6422	6½	6⅜	6⅜	6½
2.50	.50	.	...	C. Pr. & Pa. In.	60	.90	1.00	.90	1.00
10	5	.	...	Do. pref.	30	8½	8	8	8
11½	3	.	...	Can. Vickers	360	7⅜	9⅜	8	9
45	15	.	...	Do. pref.	135	40	41	40	41
10	8	1	10	C. Wallpaper A.	....	(15 bid 20 asked)			
12	12	1	8.3	Do. (B)	....	(— bid 19 asked)			
52	50	2	3.8	Can. West'ho'se	115	52	52	51⅜	51⅜
3.50	1.95	15c	...	Can. Wineries.	35	3.00	3.00	3.00	3.00
21	17	1.50	7.9	Can. Wire Box	60	19	19	18½	18½
3.15	1.75	.	...	Capital Estates	....	(— bid 1.90 asked)			
104½	98½	5	4.9	Carnation, pfd.	10	101	101½	101½	101½
6½	3	†25c	...	Catelli Food	....	(4 bid 6 asked)			
10	7	75c	...	Do. pref.	....	(— bid 10 asked)			
2	1⅜	.	...	Celtic Knit.	....	(1⅜ May 23)			
170	170	8	4.7	Cent. Can. L'n.	....	(— bid 175 asked)			
100	99	4	4	Chartered Trust	....	(95 bid 105 asked)			
.60	.25	.	...	Chem. Research	200	.46	.45	.45	.45
.70	.25	.	...	City Gas & El.	1025	.45	.25	.25	.25
.35	.15	.	...	Claude Neon	200	.20	.15	.15	.15
1.35	1.17	12c	9.2	Coast Brew.	1300	1.30	1.35	1.30	1.30
13½	6⅜	.	...	Cockshutt Plow	685	10⅜	11	10½	10⅜
1.85	.90	.	...	Comm. Alcohol	350	1.30	1.35	1.35	1.35
4⅜	4	40c	8.9	Do. pref.	....	(4 bid 5 asked)			
5	4½	10c	...	Conduits Nat.	....	(4 bid 5 asked)			
16	11½	1	6.7	Cons. Bakeries.	150	15½	15	14⅜	14⅜
9½	3½	.	...	Cons. Paper	12027	7½	8⅜	7⅜	8½
15	10	1	10	Cons. Press	....	(8 bid 8⅜ asked)			
80	70	3.50	...	Cons. Sand. pf.	50	80	80	80	80
64½	46½	50c+50c		Cons. Smelters.	3364	59	60	58	59½
199½	176	10	5.6	Consumers' Gas	122	180	180	178	178
82	60	.	...	Corr. P. Box, p.	....	(— bid 60 asked)			
24	16	1+25c	5.5	Cosmos Imp.	25	23	22½	22½	22½
105	101½	5	4.9	Do. pref.	....	(104 bid 105 asked)			
20	16½	1	...	Crown Cork	....	(18½ bid 19½ asked)			
2	1½	.	...	Crown Dom. Oil	....	(1½ bid — asked)			
39	29	4.50	...	Crow's N. Coal	50	32½	31½	31½	31½
				D					
6½	3	25c	...	David & Fre. A	90	6½	6½	6½	6½
.50	.50	.	...	Do. (B)	....	(.50 Aug. 9)			
14½	5	.	...	De Havilland	5	10	10	10	10
71	65	.	...	Do. pref.	....	(— bid — asked)			
3	3	.	...	Disher Steel	1	..	3	3	3
*18⅜	15½	50c	...	Do. pref.	....	(8 bid 16½ asked)			
17½	11	1	6.3	Distill-Seagram	750	15½	16	15½	15⅜
78	66½	5	6.4	Do. pref.	25	75	78	78	78
..	..	.	...	Dom. Ang. Inv.	....	(— bid 90 asked)			
*95	95	5	...	Do. pref.	....	(70 bid — asked)			
212	189	10	4.8	Dom. Bank	38	212	210	207	209
39	21	1.20	3.3	Dom. Bridge	829	34	36½	33⅜	36½
20	16	1.50	8.4	Dom. Coal, pf.	10	17⅜	17⅜	17⅜	17⅜
48½	21	50c	...	Dom. Engineer.	140	41	40	40	40
44	29	90c	...	Dom. Foundries	429	42½	43	42	43
102	98	6	5.9	Do. pref.	....	(99 bid — asked)			
110	96⅜	5	5	Dom. Glass	....	(100 bid 110 asked)			
150	144	7	4.7	Do. pref.	....	(— bid 150 asked)			
32	32	.	...	Dom. Oilcloth	25	..	32	32	32
2	⅜	.	...	Dom. Scot. Inv.	....	(⅜ bid 1 asked)			
33	29	1.50	...	Do. pref.	....	(32 bid — asked)			
16⅜	9	.	...	Dom. St. & C.B.	3407	13½	13⅜	13⅜	13½
8⅜	4⅜	.	...	Dom. Stores	235	5⅜	5⅜	5⅜	5½
10	4⅜	.	...	Dom. Tar & Ch.	355	7⅜	7⅜	7½	7⅜
85	71	5.50	6.9	Do. pref.	10	82	80	80	80
70	58	5	7.8	Dom. Textile	20	64	65	65	64
150	143½	7	4.8	Do. pref.	....	(— bid 145 asked)			
8½	3½	.	...	Donnacona P.A.	799	7½	7½	7	7½
7⅜	3	.	...	Do. (B)	380	6½	6½	6	6
8½	4	.	...	Dryden Paper	10	7	6½	6½	6½
				E					
1½	1	.	...	East Koot. Pr.	....	(1 bid 1½ asked)			
12	8½	.	...	Do. pref.	25	10	11	11	11
1.35	.55	.	...	East. Dairies	....	1.00 bid 1.00 asked			
8	3½	.	...	Do. pref.	30	7½	7½	6½	6½
17	12	1	6.5	East. Steel	....	(15½ bid 17½ asked)			
105	99	7	6.9	Do. pref.	....	(102 bid — asked)			
84	64	7	12.9	East. Theat. pf.	....	(60 bid 84 asked)			
5	2½	.	...	Easy Washing	....	(3 bid 4 asked)			
33	24	1.37½	...	Economic Inv.	14	26½	24	24	24
17	11½	1.60+60c.	...	Electrolux	340	15½	15⅜	15½	15½
3½	1½	.	...	Enam. & Heat.	....	(2 bid 3 asked)			
35	24	2.50	8.9	English Electric	10	30	28	28	28
14	5	.	...	Do. (B)	....	(8½ bid 10½ asked)			
6	5½	.	...	Equitable Life.	....	(6½ bid 7 asked)			
8	6	60c	...	European El. A.	....	(7½ bid — asked)			
.10	.01	.	...	Do. Warrants	....	(.01 bid — asked)			
				F					
6½	2	.	...	Fairchild Air.	1650	6½	6⅞	6½	6½
[illegible]	[illegible]	[illegible]	[illegible]	Fam. Players	....	(— bid 30 asked)			
[illegible]	[illegible]	[illegible]	[illegible]	Do. Vot. Tr.	....	(18 bid — asked)			
[illegible]	[illegible]	[illegible]	[illegible]	Fanny Farmer	1105	19½	20	19⅞	19⅞
15	4½	.	...	Fleet Aircraft	1100	12½	12½	12	12
5	3	.	...	Fleury Bissell	....	(4 bid — asked)			
43	30	2.50	..	Do. pref.	....	(38 bid — asked)			
20½	14⅜	1	5	Ford Motor A.	1928	19⅜	19⅜	19⅜	19⅜
.50	.40	.	...	For. Pr. Secs.	100	.45	.50	.50	.50
16	8½	50c†	..	Foundation Co.	75	13½	13½	12½	12½
20	9	.	...	Fraser Cos.	65	17½	17	16½	17
21½	10	.	...	Do. Vot. Tr.	830	18	18	17½	18
40	37	.	...	Freiman, pf.	20	37	37½	37½	37½
				G					
13⅜	6½	20c●	..	Gatineau Pwr.	648	13½	13⅜	13½	13½
86½	83	5	5.9	Do. pref.	779	83½	84½	83½	84½
5½	3	.	...	Do. Rights	685	4½	4⅜	4	4⅜
10½	5	.	...	Gen. St. Wares.	1318	8	8½	7⅜	8⅜
80	45	.	...	Do. pref.	40	70	70	70	70
72⅜	52	2.50	3.8	Goodyear Tire.	210	65	65	65	65
59	51	2.50	4.5	Do. pref.	339	56	56½	55½	56½
13	4⅜	.	...	Gt. Lakes Pap.	62	9	10	9	9½
33	16	.	...	Do. pref.	123	24	24	20	22
2⅜	1½	.	...	Gt. W. Saddlery	....	(1½ bid 2 asked)			
25	20	75c	...	Do. pref.	....	(18 bid 20 asked)			
12	10	60c	5.7	Greening Wire.	60	10½	10½	10½	10½
..	..	.	...	Growers' Wine.	....	1.30 bid 1.40 asked			
8½	5	†30c	...	Gurd, Chas.	40	7	7	6½	6½
106	102	7	6.6	Do. pref.	....	(— bid 106 asked)			
8⅜	5	.	...	Gypsum, Lime.	930	6½	6⅜	5⅜	6½
				H					
9½	5	.	...	Ham. Bridge	20	8	7⅜	7½	7½
53	32	.	...	Do. pref.	15	44⅜	42	42	42
34	27	2+50▲	6	Ham. Cot., pf.	....	(— bid 31⅜ asked)			
1½	⅜	.	...	Ham. U. Theat.	....	(⅜ bid 1½ asked)			
55	50	6	12	Do. pref.	....	(50 bid 60 asked)			
4	2⅜	20c	5.7	Harding Carpet	70	3⅜	3½	3½	3½
*5	2½	.	...	Hillcrest Coll.	....	(— bid 2½ asked)			
*25	12	.	...	Do. pref.	....	(— bid 25 asked)			
17½	13⅜	1	6.4	Hinde & Dauch	545	16	16	15½	15⅜
20	20	.	...	Holt Renfrew	....	(— bid — asked)			
50	50	.	...	Do. pref.	....	(— bid 55 asked)			
.60	.30	.	...	Honey Dew	....	(.30 bid .55 asked)			
14	8	.	...	Do. pref.	....	(8 bid 12 asked)			
18	10	.	...	H. Smith Pap.	155	15½	15½	15	15
98	90	6	6.4	Do. pref.	45	90	96	91	91
25	12	2	11.1	Humberstone S.	....	(16 bid 20 asked)			
12	5	.	...	Hunts (A)	....	(— bid 7 asked)			
10	5	.	...	Do. (B)	10	5	5	5	5
75	57	4	5.3	Huron & E. Mt.	18	75	75	74	75
8½	6½	80c	...	Do. 20% pd.	5	8	8	8	8
3½	3½	20c	...	Hydro El. Secs.	....	(4½ bid 6 asked)			
				I					
214	190	10	4.8	Imperial Bank.	43	210	210	205	210
19⅜	15	50+75c	7.2	Imperial Oil	5434	17	17½	16⅞	17
15⅜	13½	40+22½c	.	Imperial Tob.	4071	15½	15½	15½	15⅜
*8	6½	6%	...	Do. pref.	....	(5⅜ bid 7⅜ asked)			
31½	23	2	6.4	Indust. Accept.	100	30½	31½	31	31
23	20	1.25	...	Inter-City Bak.	....	(19⅜ bid — asked)			
43	40	6+2	...	Inter'c Coal	....	(40 bid — asked)			
126	120	8	6.4	Do. pref.	....	(— bid 126 asked)			
23	22½	1.50	6.5	Inter. Bronze	....	(23 July 29)			
27	23½	1.50	6	Do. pref.	....	(25 bid — asked)			
.20	.20	1½c†	...	Int. Coal & C.	....	(.20 bid — asked)			
b7⅜	3½	.	...	Int. Hyd. E. A.	2900	6	6½	5⅜	5⅜
9½	4½	.	...	Int. Metal Ind.	215	7	7	7	7
81	60	6	7.4	Do. pref.	100	79½	81	81	81
70	70	6	8.6	Do. pref. (A)	....	(— bid — asked)			
102½	98½	5	4.9	Int. Mill., pf.	1	101	99	99	99
52½	37	2+25c	4.5	Int. Nickel	10439	48½	49⅜	48	49⅜
4⅜	1⅜	.	...	Int. Paints	....	(3 bid 5 asked)			
15	11	1+25c▲	.	Do. pref.	5	13	12	12	12
b11⅜	4½	.	...	Int. Pap. & P.	6500	9½	9⅜	8⅜	9½
b47⅜	18⅜	.	...	Do. pref.	11800	39	41⅜	39	41
31½	23	1.50+1	9.3	Int. Pete.	3461	25⅜	26½	25⅜	26½
5⅜	2	.	...	Int. Power	40	5⅜	5⅜	5⅜	5⅜
84	71	6	7.5	Do. pref.	25	79½	80	79	80
11½	10½	1.12	9.7	Int. St. Rlty. A.	...	(— bid 11½ asked)			
3⅜	3⅜	.	...	Do. (B)	....	(3⅜ bid 4 asked)			
9⅜	5	.	...	Int. Util. (A)	195	8	9	8	9
1.00	.50	.	...	Do. (B)	60	.85	.90	.75	.90
				J, K, L					
36	32	1.75	4.8	Jam. Pub. Ser.	....	(36 bid 38 asked)			
130	125	7	5.5	Do. pref.	....	(— bid 127 asked)			
15	10	1	...	Kelvinator	....	(13 bid 16 asked)			
34	13	.	...	L. St. John Pr.	4	29	26	26	26
13	2	.	...	Lake Sulphite	5	3	3	3	3
17½	10½	.	...	Lake of Woods.	165	14½	14½	14	14
120	100	7	7	Do. pref.	....	(100½ bid — asked)			
65	55	5	7.9	Landed Bank.	....	(65 bid 70 asked)			
13	9	70c	5.6	Lang, J. A.	70	12½	12½	12½	12½
3	2½	.	...	Langley's	....	(— bid 4 asked)			
30	30	2.50▲	..	Do. pref.	....	(20 bid 45 asked)			
65	56	3	4.8	Laura Secord	30	65	65	62	62
11	7	.	...	Legare, pref.	333	10⅜	11	9⅜	10½
5	3	.	...	Lindsay, C. W.	....	(— bid 4 asked)			
*78	60	4▲	...	Do. pref.	....	(— bid 70 asked)			
24	19½	1+12½c	4.8	Loblaw (A)	341	22⅜	23½	22⅜	23½
21½	18	1+12½c	5.3	Do. (B)	240	21	21½	20⅜	21½
				M					
1.45	.40	.	...	Mackenzie Air.	870	1.25	1.25	1.25	1.25
*9	8	.	...	MacKin. Steel	....	(— bid 8 asked)			
70	60	1.75▲	..	Do. pref.	....	(— bid 80 asked)			
17	7	.	...	Maclaren Pr. p.	310	13½	14	13⅜	13⅜
4	2½	.	...	M. L. Gardens.	5	4	3½	3½	3½
7	4	.	...	Do. pref.	15	7	6⅜	6⅜	6⅜
4	1½	.	...	Maple Leaf	875	3½	4	3	4
6	3	.	...	Do. pref.	55	4½	4⅜	4	4
*17	15½	70c	...	Maritime Tele.	....	(— bid 15⅜ asked)			
*16⅜	16	70c	...	Do. pref.	....	(— bid 16⅜ asked)			
15	15	.	...	Marcus Loew's.	....	(14½ bid — asked)			
*125	115	1.75▲	...	Do. pref.	....	(115 Oct. 28)			
10½	4⅜	.	...	Massey-Harris	2680	7⅜	8½	7⅜	8½
63	28	.	...	Do. pref.	370	57	56½	55	56
14	10	40c	3.6	McColl Fron.	1780	10⅞	11½	10⅜	10⅜
101	83	6	6.2	Do. pref.	170	99	99⅜	98½	99½
2⅜	1½	.	...	Melchers	....	(1½ bid 2 asked)			
6½	5½	60+20c	..	Do. pref.	275	5½	5⅞	5½	5½
2½	2½	.	...	Mercury Mills	....	(— bid 3 asked)			
19½	10	.	...	Do. pref.	....	(— bid 8 asked)			
50	50	2	4	Mitchell, J. S.	....	(50 bid — asked)			
109	109	7	6.4	Do. pref.	....	(112 bid — asked)			
21	7½	.	...	Mitchell, Robt.	1790	17⅜	20½	17½	20½
*5½	4	.	...	Monarch Knit.	....	(— bid 3½ asked)			
*86	50½	.	...	Do. pref.	....	(— bid 36½ asked)			
35	35	2	5.7	Montreal Cot.	....	(— bid 50 asked)			
106	95	7	7.3	Do. pref.	....	(96 bid — asked)			
1.00	.70	.	...	Mont. Is. Pr.	....	(1.00 bid — asked)			
31	27	1.50	4.9	Montr. L. & Pr.	5049	30½	31	29½	30½
29	27	2	7.4	Montreal Loan.	....	(27 bid — asked)			
1.50	1.00	.	...	Mtl. Refrig. & S	....	(1.00 bid — asked)			
14	13½	2.25	...	Do. pref.	....	(14 bid — asked)			
62	55⅜	3.20	5.5	Montreal Tele.	19	60	59	58	58
90	68	9	13	Montreal Trams	259	72⅜	69	68	69
38	25	1.60+40c	5	Moore Corp.	25	37	37½	37½	37½
160	135	7	4.4	Do. pref. A.	5	160	160	160	160
210	179½	7	3.3	Do. pref. B.	....	(215 bid — asked)			
.50	.20	.	...	Muirheads	....	(.10 bid .50 asked)			
4	4	.	...	Do. pref.	...	(4 Feb. 22)			
				N					
43	34	2	4.7	Nat. Breweries.	1739	42½	42⅜	42	42½
44	38	1.75	4	Do. pref.	25	44	44	44	44
7½	4½	.	...	Nat. Grocers	....	(5⅜ bid 6 asked)			
126½	115	7+3.50▲	6	Do. pref.	64	118	118	116	118
20	12	.	...	N. Sew. Pipe A	....	(12½ bid 14½ asked)			
67	31	1.50	...	Nat. Steel Car	7496	60⅜	65½	59½	64
210	190	8	4.2	National Tr.	....	(190 bid 195 asked)			
32½	24	2	6.2	Niag. W. Weav.	65	32½	32½	32½	32½
1.50	1.00	.	...	North Star Oil.	150	1.35	1.35	1.35	1.35
3⅜	3½	35+8⅜c▲	.	Do. pref.	....	(3½ bid 3½ asked)			
*97½	96	6	...	N. S. L. & Pr.	....	(96 bid — asked)			
106	104	6	5.7	Do. pref.	....	(105½ bid — asked)			
15	9	.	...	N. S. Steel. pf.	....	(13 bid — asked)			
				O					
31	23	1	3.4	Ogilvie Flour	283	29	30	29	29½
158	145	7	4.5	Do. pref.	50	155½	155⅜	154	154
107	103⅜	5	4.8	Ontario Loan	....	(105 bid — asked)			
*7½	4⅜	.	...	Ont. Silknit	....	(— bid 5⅜ asked)			
17	17	.	...	Do. pref.	....	(— bid 19 asked)			
12	5	50c	...	Ont. Steel	50	11½	9½	9½	9½
114	95	7	7.4	Do. pref.	....	(— bid 105 asked)			
2.00	1.00	.	...	Orange Crush	....	1.50 bid 1.75 asked			
6	4	70c	14.7	Do. pref.	....	(4½ bid 5 asked)			
40	24	2	...	Ottawa Car	....	(35 bid 55 asked)			
36	22	2	...	Ottawa El. Rly.	2	24	22	22	22
87	79	6	7.3	Ott. L. H. & Pr.	....	(— bid 85 asked)			
101½	97	5	5	Do. pref.	30	100	100	99	100
				P, Q, R					
20	10	.	...	Pacific Coyle	....	(15 bid — asked)			
98	77½	4+25c	4.5	Page Hersey	30	95	95	93½	93½
7⅜	4	.	...	Pantepec Oil	200	5½	4½	4⅜	4⅜
16	15	.	...	Paton Mfg.	....	(— bid 15 asked)			
100	100	7	7	Do. pref.	....	(100 bid 110 asked)			
53	46	3	6.5	Penmans	11	47	47	46	46
125	122	6	4.8	Do. pref.	10	123	124	124	124
19	16	1	5.7	Photo Eng.	....	(16½ bid 17½ asked)			
99⅜	95½	7	7.2	Porto Rico Pr. p	....	(98 bid 99⅜ asked)			
16⅜	9½	†30c	...	Power Corp.	303	14½	15	13½	14½
100½	92	6	6	Do. pref.	11	100	100	100	100
44	44	3	6.8	Do. 2nd pref.	....	(42½ bid 45 asked)			
23	10	.	...	Pressed Metals	....	(19 bid 22 asked)			
20	8½	.	...	Price Bros.	1955	17	17⅜	17	17½
55½	34	.	...	Do. pref.	50	50½	53½	53	53½
7½	6⅜	20c	3	Prov. Transport	30	6⅜	6⅜	6⅜	6⅜
19	14	1	5.5	Quebec Power	95	18	18	17½	18
4½	3⅜	.	...	Quebec Tele.	45	4½	4½	4½	4½
40	37	2	5.4	Real Estate L'n	....	(35 bid 40 asked)			
9⅜	4	.	...	Regent Knit.	....	(— bid 6½ asked)			
25	23	1.60	7	Do. pref.	....	(21½ bid 23 asked)			
2⅜	1½	30c	...	Reinhardt Brew	5	2	2	2	2
7½	3	.	...	Reliance Grain.	....	(6 bid — asked)			
12½	10½	70c+*1%	...	Remington R'd.	....	(— bid — asked)			
27	21	2	7.4	River S. Mill.	....	(25 bid 26½ asked)			
4½	3	.	...	Rogers Majest.	165	4½	4½	4½	4½
16	14½	1	6.2	Rolland Pap.	....	(16 June 25)			
18	12	.	...	Do. Vot. Trust	....	(— bid 14 asked)			
102½	95	6	6	Do. pref.	....	(99 bid — asked)			
191⅜	170	8	4.2	Royal Bank	238	190	189	187	189
70	63	3	...	Russell Indust.	....	(60 bid — asked)			
110	103	7	6.8	Do. pref.	....	(103 bid 105 asked)			
				S					
103	95	5.50	5.4	Saguenay Pr. p	60	101	102	102	102
11	6½	.	...	Sarnia Br. (A)	25	8	7½	7½	7½
5	4	.	...	Do. (B)	....	(3 bid 6 asked)			
23	17½	80+5c	4	Shawinigan Pr.	726	20½	21½	20½	21½
17	10	.	...	Sher. Wms.	....	(— bid 14⅜ asked)			
120	102	7	6.5	Do. pref.	100	108	108	108	108
1½	1	.	...	Silverwoods	....	(— bid 1 asked)			
3½	1⅜	20c●	...	Do. pref.	25	3	3½	3½	3½
10½	7½	65c	...	Simon & Son	....	(9⅜ bid 10½ asked)			
110	110	7	6.4	Do. pref.	....	(— bid — asked)			
18	8½	.	...	Simpson (A)	....	(11 bid 12 asked)			
8½	2½	.	...	Do. (B)	....	(4 bid 5 asked)			
95	70	5+1▲	6.4	Do. pref.	90	79	78	77	78
115	105	6	5.2	Simpson, R., pf.	....	(112 bid 115 asked)			
15	11½	80c	6.2	So. Can. Pr.	....	(12½ bid 13 asked)			
109	103	6	5.6	Do. pref.	63	108½	107	106	107
6½	2⅜	.	...	St. Law. Corp.	1310	5½	5½	5	5½
20	8½	.	...	Do. (A)	555	17⅜	18	17	17⅜
20	17	1	5.9	St. Law. Flour	....	(16⅜ bid — asked)			
140	140	7	5	Do. pref.	....	(— bid 140 asked)			
58½	24	.	...	St. Law. Pap. p.	540	48	51½	48	51
8	3½	.	...	Stand. Chem.	....	(8 bid 9 asked)			
*14½	8	.	...	Stand. Clay	....	(3 bid 10 asked)			
4½	2	.	...	St. Pav. & Mat.	275	3	3½	3	3½
27	12	.	...	Do. pref.	10	25	23½	23½	23½
42	40	3+75c▲	7	Stand. Steel, pf.	....	(— bid 45 asked)			
17⅜	16	60+20c	4.8	Stedman Bros.	...	(16½ bid 17½ asked)			
71	56	1.75‡	2.5	Steel of Can.	837	70	71	70	70½
68	63	1.75	2.6	Do. pref.	34	67	68	67	67½
5	4	.	...	Sterling Coal	50	4	4	4	4
.75	.25	.	...	Stop & Shop	....	(.05 bid .25 asked)			
*17	13	80c	...	Stuart, D. A. pf.	....	(10 bid 12 asked)			
2½	1½	.	...	Supersilk H. A.	....	(2½ bid 2⅜ asked)			
3⅜	2	.	...	Do. (B)	....	(— bid 3⅜ asked)			
79⅜	73	5	6.6	Do. pref.	....	(— bid 76 asked)			
38	31	1+50c	3.9	Sup. Pete. ord.	805	34½	38	37	37
36	30	1+50c	4.2	Do. com.	3	33	36	36	36
				T					
16	12½	80c	6.4	Tamblyn	25	12½	13	12⅞	13
52½	52	2.50	4.8	Do. pref.	....	(52 bid — asked)			
4	2	.	...	Thayers	40	4	4	4	4
27	20	3.50	...	Do. pref.	20	23	25	25	25
.50	.25	.	...	Thrift Stores	....	(.10 bid — asked)			
2	2	.	...	Do. pref.	....	(.50 bid — asked)			
13½	10	60+10c	5.4	Tip T. Tailors	25	12	13	13	13
108	100	7	6.7	Do. pref.	....	(102 bid 105 asked)			
3	⅜	.	...	Tooke Bros.	....	(— bid — asked)			
15	9	.	...	Do. pref.	....	(8 bid 10½ asked)			
18½	12	2	...	Tor. Elevators	175	16	15½	15	15
48	40	2.62½	6	Do. pref.	115	44	44	43½	43½
85	73	4	5.1	Tor. Gen. Tr.	12	79	79	79	79
122	108½	6	5.5	Toronto Mtge.	....	(109 bid 118 asked)			
160	140	7	4.7	Tuckett Tob. p.	....	(150 bid 160 asked)			
4⅜	3	.	...	Twin City	....	(— bid 10 asked)			
				U, V					
15½	11	80c	5.6	Union Gas	915	14½	14½	14½	14½
17½	15	30c	...	Un. Amuse. A.	....	(— bid 18½ asked)			
13	13	30c	...	Do. (B)	....	(— bid 15 asked)			
1.15	1.00	5c	...	United Distill.	....	(— bid .95 asked)			
43	39	1▲	...	United Fuel, pf.	55	39½	40	39	39
18⅜	8	2	...	United Secs.	10	9	9	9	9
7	3	.	...	United Steel	1160	5⅜	5⅜	5⅜	5½
3	1½	.	...	Viau Bisc.	25	2⅜	2⅜	2⅜	2⅜
50	45	5	...	Do. pref.	....	(45 bid 51 asked)			
				W, Y					
20	15	1+15c	6.4	Wabasso Cot.	....	(— bid 17½ asked)			
45	30½	4	9.2	Walker-Good.	1141	42	43½	41⅜	43⅜
19½	17	1	5.1	Do. pref.	1154	19	19½	19½	19⅜
2.00	1.10	5c	...	Walkerville Br.	150	1.60	1.60	1.50	1.60
2.50	1.00	.	...	Waterloo Mfg.	....	1.55 bid 2.00 asked			
125	123½	7	5.6	W. Koot. Pr. pf	....	(124 bid — asked)			
5	3	.	...	West. C. Flour.	5	4⅜	4⅜	4⅜	4⅜
37	28	.	...	Do. pref.	10	35	35	35	35
65	50½	3	5.9	West. Grocers	....	(— bid 62 asked)			
115½	106½	7	6.6	Do. pref.	....	(— bid 112 asked)			
13½	9	80c	6.2	Weston Ltd.	340	12½	13	12½	12½
90	70	5	5.6	Do. pref.	20	87	90	88	90
4.00	.20	.	...	Windsor Hotel	....	(— bid .10 asked)			
8	7	.	...	Do. pref.	....	(5 bid 7 asked)			
3½	1½	.	...	Winnipeg El. A.	80	2½	2½	2½	2½
3	1	.	...	Do. (B)	233	2	2½	2	2
17	7	.	...	Do. pref.	19	12	12	11½	11½
93	65	1.75▲	..	Wood, A. & J. p	10	70	70	67½	67½
50	40	.	...	Woods Mfg., pf.	....	(35 bid 45 asked)			
4½	3½	.	...	York Knitting	....	(4 bid 4⅜ asked)			

* 1937.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1938.
● Initial. ° Stock bonus. † Interim.

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close Aug. 15 (or last)	High for week	Low for week	Close Aug. 22
			A					
1	.04½	.01	Afton	19,600	.03½	.03½	.03	.03
No	.70	.35	Aldermac	24,250	.47	.50	.45	.47
1	.03½	.01	Alexandria	1,000	.01	.01	.01	.01
1	.33	.15	Amm. Gold	46,100	.17	.17½	.15	.15
No	4.15	2.75	Anglo-Huronian	589	3.20	3.30	3.15	3.30
No	.02½	.01	Arno	1,300	.02	.02½	.01½	.01½
1	.33	.15	Arntfield	4,300	.19	.18	.16	.16½
1	.11	.05	Ashley	22,950	.07½	.10½	.07	.10½
1	.07	.02	Astoria Rouyn	550	.04½	.06	.06	.06
1	.06	.06	Astoria Quebec	550	.06	.06	.06	.06
1	.44	.20	Augite Porc.	76,300	.30½	.36	.29½	.30
50c.	.14	.05½	Aztec	100	.07	.09	.09	.09
			B					
1	.27	.12	Bagamac	8,850	.20	.20	.18	.19
1	1.03	.61	Bankfield	9,734	.68	.67	.61	.63
1	.45	.20	Base Metals	600	.31	.33	.31	.33
No	1.45	1.00	Beattie Gold	14,725	1.21	1.34	1.20	1.30
1	.32	.17	Beaufor	1,500	.20	.18	.18	.18
1	.50	.20	Bidgood Kirk.	51,308	.33	.36	.30	.33
1	.58	.30	Big Missouri	1,555	.33	.34	.25	.32
1	.14½	.07	Bobjo	9,100	.10	.10½	.09½	.10
1	.13½	.06	Bouscadillac G.M.	2,100	.07½	.08	.06	.06
No	10.25	8.00	Bralorne	500	9.75	9.65	9.50	9.55
1	.08	.03	Brazil Gold	500	.05	.08	.08	.08
1	.12	.02	Brett Trethewey	11,000	.03	.03	.02½	.02½
1	.10	.02½	Brownlee	1,000	.05	.04½	.04	.04½
1	17.50	11.00	Buffalo Ankerite	1,262	16.00	16.00	15.25	15.75
No	.06½	.02½	Buffalo Can.	25,000	.03	.03½	.03	.03
5	30.50	24.25	Bulolo Gold	2,324	28.25	28.50	28.00	28.50
No	.22	.10	Bunker Hill	27,300	.10	.14	.10	.13½
			C					
No	1.28	.74	Can. Malartic	12,262	1.02	1.05	1.00	1.00
1	.09½	.02	Capital Rouyn	3,000	.03	.03½	.03½	.03½
1	2.60	1.65	Cariboo Gold	2,200	2.50	2.60	2.49	2.60
1	.15	.05	Cartier Malartic	3,000	.06	.06½	.06	.06
1	1.19	.53	Castle Trethewey	3,212	.95	1.00	.80	.99
1	.62	.24	Cen. Cadillac	5,600	.30	.34	.32	.34
1	3.20	2.10	Cen. Patricia	5,050	2.55	2.62	2.50	2.60
1	.15	.08½	Cen. Porcupine	26,250	.10½	.10½	.10½	.10½
1	1.73	1.18	Chesterville	10,100	1.19	1.28	1.18	1.20
No	.82	.35	Chromium	5,595	.70	.70	.65	.70
5	4.00	2.00	Coast Copper	200	3.00	2.75	2.60	2.60
1	.04½	.00¾	Cobalt Contact	11,000	.01½	.01½	.01	.01½
5	2.25	1.25	Coniagas	500	1.40	1.50	1.50	1.50
No	1.84	1.10	Coniaurum	2,806	1.40	1.45	1.36	1.40
1	.42	.19	Con. Chibougamau	6,700	.35	.32	.30	.32
25	64.25	46.50	Cons. Smelters	3,364	59.00	60.00	58.00	59.50
			D, E					
1	.23½	.08	Darkwater	3,600	.10½	.10	.08	.09
1	.46	.17	Denison Nickel	14,550	.27	.24	.20	.21
No	35.00	27.50	Dome Mines	9,174	34.35	35.00	33.50	34.00
1	.07	.03	Dom. Explorers	2,500	.03	.04	.04	.04
1	.26	.05	Dorval Siscoe	24,306	.10	.09½	.05	.07
1	.07	.03	Duparquet	12,000	.04	.04½	.04	.04
1	2.39	1.05	East Malartic	36,105	2.22	2.20	2.10	2.18
1	3.25	1.95	Eldorado	18,342	2.25	2.35	2.22	2.27
			F, G					
No	6.95	4.70	Falconbridge	1,000	5.75	6.00	5.65	6.00
1	.14	.03½	Federal	31,600	.05½	.08	.05½	.07½
1	.30	.18	Fernland	38,200	.21½	.24	.21	.24
No	.53½	.27	Francoeur Gold	17,100	.32	.37	.32	.35
1	.20	.04	Fontana	......	(.04 bid .04½ asked)			
1	.32	.08	Gillies Lake	177,800	.14	.17½	.13	.16
1	.05	.02	Glenora	3,300	.03	.03½	.03	.03
No	.68	.31	God's Lake	5,700	.49	.50	.45	.48
1	.40½	.14	Goldale	19,900	.27	.28	.23	.24
50c.	.47	.30	Gold Belt	1,900	.45	.47	.45	.47
1	.40	.16	Gold Eagle	4,600	.17½	.17½	.16	.16
1	.12	.03½	Goodfish	7,000	.05	.05½	.04	.04½
1	.09½	.03	Graham Bosquet	1,300	.04½	.04	.04	.04
1	.13	.04	Granada Gold	132,637	.09	.13	.08	.13
No	.11	.05	Grandora	1,700	.06	.06	.05½	.05½
1	.10	.03½	Grull Wihksne	......	(.04½ bid .06 asked)			
1	1.09	.61	Gunnar Gold	11,200	.70	.70	.64	.70
			H, I, J					
1	.04½	.02	Halcrow Swayze	......	(.03 bid .03½ asked)			
1	2.93	1.10	Hard Rock	25,550	2.19	2.21	2.06	2.21
1	.17	.09	Harker	13,000	.10½	.11	.10	.10½
1	1.40	1.00	Hedley Mascot	1,100	1.16	1.20	1.18	1.18
5	15.50	11.00	Hollinger	4,010	15.25	15.25	14.65	15.25
1	.33	.22	Howey Gold	8,500	.26½	.27	.26	.26½
No	31.00	20.50	Hudson Bay	1,074	29.00	30.00	29.37	30.00
1	.49	.33	Inspiration	5,000	.40	.45	.40	.41
1	11.50	7.00	Inter. Mining	......	(8.50 bid .... asked)			
No	52.75	37.00	Int. Nickel	10,439	48.25	49.75	48.00	49.37
1	.40	.13	Jacola	30,066	.17	.21	.18	.19
1	.60	.31	Jack Waite	5,000	.41	.43	.38½	.38½
1	.82	.33	Jellicoe	196,560	.47	.57	.43	.43
1	.17	.09	J. M. Cons. Gold	7,115	.11	.11	.10½	.11
			K, L					
1	2.50	1.25	Kerr Addison	38,774	2.10	2.16	2.00	2.05
1	1.00	.35	Kerr Lake	200	.46	.75	.60	.75
1	.29	.06	Kirk. Gold Rand.	100	.09	.08	.08	.08
1	1.50	.50	Kirk. Hud. Bay	1,025	.60	.60	.50	.55
1	1.50	.95	Kirkland Lake	23,645	1.23	1.37	1.20	1.30
1	.23	.13	Kirk. Townsite	200	.13	.13½	.13½	.13½
1	.59	.25	Laguna	8,497	.28	.29	.26	.27
1	58.75	46.00	Lake Shore	7,287	52.37	53.50	52.37	53.37
1	.05	.02	Lamaque Contact	1,100	.03½	.03½	.02	.02
1	.74	.37½	Lapa Cadillac	64,700	.47½	.55	.49	.53
1	1.13	.80	Lava Cap	2,675	.86	.97	.85	.97
1	.15	.05	Lebel Oro	10,600	.06	.06½	.05½	.06½
1	.03½	.01	Lee Gold	26,200	.02	.03½	.01½	.03
1	1.12	.60	Leitch Gold	43,400	.84	.92	.84	.86
No	6.00	3.20	Little Long Lac	25,120	3.30	3.60	3.20	3.45
			M					
1	5.55	3.50	Macassa	11,615	4.90	5.40	4.90	5.25
No	4.45	1.30	MacLeod Cockshutt	17,695	3.60	3.80	3.60	3.60
1	.57	.25	Madsen Red Lake	46,100	.44	.56	.44	.53
1	.02	.00⅜	Malrobic	2,500	.01	.01½	.01	.01½
No	.24	.10	Mandy	4,200	.16½	.18	.17	.18
No	.04	.01½	Man. & Eastern	3,400	.02	.02	.01½	.02
1	.19½	.09	Maralgo	38,645	.11½	.14½	.11	.14
5	47.87	35.50	McIntyre	3,833	47.75	47.75	46.00	46.75
1	1.29	.69	McKenzie R.L.	8,500	1.20	1.25	1.20	1.23
1	.65	.35	McKinley	55	.65	.65	.65	.65
1	.24	.10	McVittie	6,600	.15	.16	.15	.15
No	.86	.30	McWatters	15,800	.67	.70	.61	.66
5	.70	.30	Mentor Explor.	......	(.70 July 6)			
No	2.49	1.45	Mining Corp.	1,700	1.90	1.95	1.90	1.95
No	.04½	.02½	Minto Mines	1,000	.03½	.03½	.03½	.03½
1	.03	.01	Moffatt Hall	......	(.01½ June 7)			
1	2.56	1.63	Moneta	19,831	1.75	1.80	1.68	1.72
1	.20	.05	Montague	......	(.05 bid .08½ asked)			
1	.19	.10	Morris Kirk.	2,100	.12	.12	.10	.10
1	.03½	.01½	Murphy	500	.02½	.02½	.02½	.02½
			N, O					
1	.79	.13½	Naybob	58,850	.64	.68	.62½	.66
No	.11½	.02	Newbec	27,200	.07	.07½	.03	.06
1	.38	.10	New Golden Rose	2,000	.15	.17	.14	.17
5	2.15	1.55	Nipissing	700	1.65	1.75	1.68	1.70
No	74.50	48.00	Noranda	7,300	71.50	74.00	70.75	73.50
No	.40	.23	Nor. Canada	......	(.37 bid .38 asked)			
1	8.95	7.50	North Empire	750	8.75	8.85	8.75	8.85
1	.07½	.02	Norgold	3,000	.06	.06½	.05	.05
1	1.14	.50	Normetal	13,720	.84	.83	.75	.75
1	5.45	2.75	O'Brien	7,530	3.65	3.80	3.50	3.55
1	.68	.30	Omega	20,388	.55½	.57½	.50	.55
1	1.45	.46	Oro Plata	22,742	.77	.83	.70	.70
1	.16	.05	Osisko	......	(.12 bid .14 asked)			
			P					
No	4.70	2.90	Pamour	8,100	4.35	4.50	4.30	4.40
1	.63	.15	Pandora	26,600	.17½	.21½	.15	.18
1	2.70	1.55	Pato Cons. G.	250	2.25	2.50	2.50	2.50
1	.24½	.07½	Partanen Mal.	10,600	.15	.15	.14	.14
1	.22	.05	Paulore	5,500	.08	.08	.07	.08
1	.02	.01	Pawnee Kirk.	500	.01½	.01½	.01½	.01½
1	.69	.38	Paymaster	20,330	.50	.50	.48	.50
1	.23	.12	Payore	24,500	.14	.14	.13	.13½
1	2.65	1.30	Pend Oreille	11,225	1.86	1.95	1.73	1.84
1	1.77	1.02	Perron Gold	4,238	1.48	1.48	1.41	1.47
1	.01½	.00½	Peterson Cobalt	500	.01½	.01	.01	.01
1	5.30	3.80	Pickle Crow	8,075	5.10	5.30	5.05	5.20
1	3.50	2.80	Pioneer Gold B.C.	6,815	3.00	3.05	2.95	3.00
1	17.25	13.25	Placer Devel.	......	(15.25 bid 16.00 asked)			
1	2.65	1.37	Powell Rouyn	20,724	2.28	2.50	2.30	2.43
1	2.42	1.81	Premier Gold	2,535	2.30	2.35	2.27	2.32
1	1.93	.67	Preston E. Dome	223,257	1.76	1.84	1.65	1.76
No	.98	.50	Prospectors Air's.	......	(.50 bid .70 asked)			
			Q, R					
1	.70	.40	Quebec Gold	......	(.47 bid .55 asked)			
No	.15	.04	Quemont	......	(.13½ bid .22 asked)			
1	4.55	2.50	Read Authier	4,775	2.55	2.70	2.50	2.65
1	.45	.07	Red Crest	1,700	.12	.09	.08	.08
1	.36½	.08	Red Lake	1,000	.08½	.09	.09	.09
1	.65	.39½	Reno Gold	6,500	.44	.46	.44	.44
1	.55	.25	Reeves McD.	......	(.27 bid .34 asked)			
1	.07	.03½	Reward	......	(.03½ bid .04½ asked)			
1	.03	.01½	Ritchie	3,000	.01½	.01½	.01½	.01½
1	.02½	.01	Robb Montbray	3,000	.02	.01½	.01½	.01½
1	.24	.09	Roche Long Lac	20,300	.13	.14	.11	.13
			S					
1	1.55	1.11	San Antonio	2,050	1.28	1.28	1.25	1.25
1	.34	.04½	Shawkey	8,450	.05	.06	.04½	.05
50c.	1.21	.90	Sheep Creek	5,100	.98	1.00	.95	.97
1	1.80	.90	Sherritt Gordon	9,544	1.32	1.30	1.20	1.26
1	3.40	2.00	Siscoe	40,530	2.10	2.16	2.00	2.12
1	1.39	.86	Sladen Malartic	38,950	1.12	1.11	1.01	1.07
1	.24	.07	Slave Lake	4,200	.08½	.09½	.08	.09½
No	.78	.38	Stadacona	26,534	.52½	.51	.47	.47
1	.20	.09	St. Anthony	3,900	.12½	.13	.12	.12½
No	.15½	.06	Straw Lake	66,950	.11	.12	.09	.10½
No	3.80	2.00	Sudbury Basin	1,250	2.65	2.65	2.50	2.55
1	.19	.10	Sudbury Contact	3,900	.13	.12	.11	.11
1	1.25	.80	Sullivan Cons.	11,900	1.03	1.15	1.02	1.08
1	3.60	2.60	Sylvanite	3,750	3.40	3.40	3.30	3.30
			T, U, V, W, Y					
1	5.70	4.40	Teck Hughes	8,423	4.55	4.85	4.60	4.80
1	.25	.09½	Temiskaming	4,200	.11	.11½	.11	.11½
1	.38	.19	Thomp Cadillac	13,000	.25	.24	.22	.22
1	2.90	1.78	Toburn Gold	500	2.00	2.10	2.05	2.10
1	.67	.33	Towagmac	1,500	.42	.44	.40	.42
1	2.45	.90	Uchi Gold	9,055	2.33	2.35	2.25	2.28
No	7.40	4.00	Ventures	2,065	5.85	5.95	5.50	5.50
No	8.50	1.02	Waite Amulet	126,148	6.45	6.40	5.15	5.35
1	.20	.08	Wendigo	10,000	.14	.14½	.13	.14
No	.03½	.01½	White Eagle	6,000	.01½	.01½	.01	.01½
1	.08	.02	Whitewater Mines	......	(.05 bid .06 asked)			
1	.18	.03	Wiltsey Coughlan	30,800	.13	.13	.11½	.12
1	.43	.19	Wood Cadillac	74,450	.21	.27	.21	.25½
No	8.20	6.50	Wright-Hargreaves	10,710	7.85	8.00	7.75	7.90
No	.30	.14	Ymir Girl	4,100	.15	.16	.15	.15½

Oil Quotations

Par Val.	Range 1938 High	Low	Company	Sales	Close Aug. 15 (or last)	High for week	Low for week	Close Aug. 22
No	.12	.07	Acme Gas & Oil	......	(.08½ bid .10 asked)			
1	.37	.16	Alta Pac. Cons.	600	.16	.16½	.16½	.16½
1	.32	.13	Ajax	1,300	.20	.21	.20½	.20½
No	1.65	.95	Anglo Canadian	3,250	1.36	1.40	1.34	1.38
1	.15	.08	Anaconda	......	(.09 June 29)			
1	.16	.05	Br. Dominion	......	(.07 bid .12 asked)			
No	.68½	.30	Brown Oil	14,200	.34	.36	.32	.32
100	72.00	46.00	Do., pref.	10	65.00	70.00	70.00	70.00
No	3.10	1.80	Calgary & Ed.	2,700	2.32	2.31	2.25	2.30
1	.62	.25	Calmont	1,700	.34	.35	.32	.32
No	.85	.60	Commoil	......	(.61 bid ... asked)			
No	.43	.20	Common Pete	200	.28	.28	.28	.28
No	.70	.37	Dalhousie	370	.50	.48	.40	.48
No	.73	.30	Davies Pete	3,900	.33½	.32	.30	.30
No	.15	.06½	East Crest	1,000	.06½	.07½	.07	.07
25c	.25	.13½	Firestone Pete	700	.15½	.15½	.15	.15
No	.90	.35	Foothills	500	.40	.50	.55	.60
No	.22	.13	Foundation Pete.	8,100	.18	.20	.16	.17
No	.35	.14	Hargal	......	(.14 bid .30 asked)			
No	.20	.08	High Sarcee	800	.11	.11	.10	.11
No	1.47	.91	Home	3,560	1.15	1.20	1.15	1.18
1	.37	.14	Homestead O.&G.	6,200	.17	.21	.20	.20
No	.27	.13½	McD. Segur	......	(.15 bid .20 asked)			
No	.20	.06½	Mercury	......	(.07½ bid .12 asked)			
No	.08	.04	Merland	1,000	.05	.05½	.05½	.05½
1	.38	.20	Model	100	.20	.20	.20	.20
25c	.20	.12	Monarch Royalties	500	.15	.12	.12	.12
1	.20	.04	Nordon	......	(.12 bid .17 asked)			
No	.04½	.02½	Oil Selections	2,000	.03½	.03	.02⅞	.03
No	2.30	1.07	Okalta	8,929	1.30	1.35	1.19	1.30
No	.05½	.02	Olga Gas & Oil	3,000	.02½	.02½	.02½	.02½
1	.17	.05	Pacalta	5,350	.07	.07	.05	.05
1	.50	.40	Petrol Oil & Gas	......	(... bid .50 asked)			
25c	.52	.30	Prairie Royalties	2,800	.35½	.39	.35	.35
No	49.00	33.75	Royalite	924	44.00	47.00	45.00	47.00
No	.75	.25	South West Pete.	800	.40	.40	.40	.40
No	.10	.02	South End	......	(.01½ bid ... asked)			
1	.14	.14	Spooner	......	(.14 Mar. 9)			
25c	.25	.04	Spy Hill Royalties	......	(... bid .04½ asked)			
No	1.63	1.05	Texas Can.	2,450	1.40	1.40	1.35	1.39
No	.26	.12	United Oils	3,300	.12½	.14	.12	.12½
No	1.25	.60	Vulcan	......	(.76 bid ... asked)			
No	.34	.06	West Flank	1,500	.08	.09	.06	.09
50c	.15	.08	West Turner Pete	7,000	.09½	.10	.09	.10

Vancouver Stock Exchange

Par Val.	Range 1938 High	Low	Company	Sales	Close Aug. 15 (or last)	High for week	Low for week	Close Aug. 22
50c	.14	.06½	Aztec	2,250	.06½	.06½	.06½	.06½
1	.58	.31	Big Missouri	2,500	.33	.32½	.31	.31
25c	.02½	.01½	Bluebird	......	(.01½ bid ... asked)			
No	10.10	7.95	Bralorne	3,055	9.60	9.60	9.50	9.60
1	.04½	.01½	Bridge River Cons.	4,500	.02	.02½	.02½	.02½
1	.25	.08	B.C. Nickel	11,800	.09	.09	.08	.08
1	2.60	1.68	Cariboo Gold	1,550	2.52	2.60	2.52	2.55
No	.13	.04	Dentonia	8,500	.04½	.05½	.04½	.05½
1	.09	.02	Dunwell	3,500	.02	.02½	.02	.02
No	.10½	.02	Fairview Amal.	23,800	.07½	.07½	.06½	.07
1	.02½	.01	Federal Gold	4,500	.01½	.01½	.01	.01
1	.50	.25	George Copper	500	.29	.30	.30	.30
50c	.03½	.02	George Enterprise	......	(... bid .03½ asked)			
1	.10	.03½	Golconda	100	.08	.06	.06	.06
50c	.48½	.29	Gold Belt	13,400	.46	.48½	.45	.47½
50c	.06½	.01½	Gold Mountain	1,500	.01½	.01½	.01½	.01½
50c	.12	.04	Grandview	3,500	.09½	.07½	.07	.07
1	.11	.04	Grull Wihksne	3,700	.04½	.04½	.04	.04½
No	.08½	.03	Haida Gold	1,500	.03½	.03	.03	.03
1	1.39	1.00	Hedley Mascot	3,100	1.15	1.16	1.14	1.14
No	.05½	.00½	Hedley Sterling	1,000	.02	.00½	.00½	.00½
No	.02	.01	Home Gold	......	(... bid .01½ asked)			
1	.02½	.01½	Indian Mines	1,000	.01½	.02	.02	.02
1	.28	.20	Inter'tl Coal	1,000	.25	.28	.28	.28
50c	1.35	.72	Island Mountain	7,325	1.27	1.35	1.25	1.35
50c	1.45	.91	Kootenay Belle	2,500	1.41	1.42	1.37	1.37
10c	.04½	.01½	Lucky Jim	9,000	.02½	.02½	.02	.02
No	.02½	.01	Mak Siccar	......	(.01 bid ... asked)			
10	.67½	.52	Metaline Mining	......	(.67½ July 25)			
1	.23	.19	McGillivray Creek	......	(.21½ bid ... asked)			
No	.05½	.02	Minto Mines	11,200	.04	.03½	.03½	.03½
50c	.08	.02	Nicola	1,000	.03½	.03½	.03½	.03½
50c	.05	.02	Noble Five	3,000	.02½	.02½	.02½	.02½
1	2.50	1.32	Pend Oreille	......	(1.85 bid 1.95 asked)			
No	.02½	.01	Pilot Gold	......	(.01 bid .01½ asked)			
1	3.35	2.85	Pioneer Gold	770	3.00	3.05	3.00	3.05
50c	.04	.02½	Porter Idaho	......	(.03 bid ... asked)			
No	.02½	.01	Premier Border	3,000	.01	.01	.01	.01
1	2.83	1.83	Premier Gold	7,179	2.25	2.36	2.25	2.35
1	.14½	.02½	Quatsino Copper	500	.04½	.04	.04	.04
25c	.11½	.06½	Quesnelle Quartz	1,000	.09½	.09	.09	.09
50c	.07	.04	Red Hawk	......	(... bid .04 asked)			
1	.25	.14	Relief Arlington	500	.16	.16	.16	.16
No	.56	.25	Reeves McDonald	......	(.25 bid .34 asked)			
1	.63	.40	Reno Gold	6,900	.44	.45	.43	.43½
1	.06½	.03½	Reward Mining	10,000	.03½	.04	.04	.04
1	.03½	.01½	Rufus Argenta	......	(.01 bid .01½ asked)			
1	.03	.01	Ruth Hope	500	.01½	.02	.02	.02
1	.08	.03	Sally Mines	......	(.03 bid ... asked)			
50c	.16½	.05	Salmon Gold	4,500	.10	.11	.10½	.10½
50c	1.20	.02	Sheep Creek	6,000	.98	.97	.95	.95
1	2.20	1.50	Sihak Premier	150	1.85	1.85	1.80	1.80
No	.04½	.01	Silvercrest	6,000	.01½	.01	.01	.01
1	.17	.12	Sunloch	......	(.15 bid ... asked)			
No	.17	.13	Surf Inlet	4,000	.15	.17	.15	.17
1	.22	.21	Standard Silver	......	(.22 Apr. 1)			
10c	12.65	11.75	Sunshine	......	(11.75 Apr. 13)			
No	.05½	.02½	Taylor Bridge	......	(.03 bid .04 asked)			
No	.21	.06½	Vidette Gold	3,000	.07½	.08	.07½	.07½
50c	.01	.00½	Waverley Tangier	5,000	.00⅜	.00⅜	.00⅜	.00⅜
20c	.03½	.01½	Wellington	7,000	.01½	.01½	.01½	.01½
50c	.10½	.02	Wesko	......	(.02 bid .02½ asked)			
1	.02	.02	White Eagle	......	(.01½ bid ... asked)			
1	.08½	.03½	Whitewater	2,500	.05	.05	.04½	.04½
No	.29	.14	Ymir Yankee Girl	3,000	.16	.16	.15	.15
			Oil Stocks					
1	.35½	.16	Alta. Pac. Cons.	25	.17	.16½	.16½	.16½
1	.08	.00½	Amalgamated	14,000	.01	.01	.01	.01
No	1.58	1.60	Anglo Canadian	1,500	1.40	1.40	1.38	1.38
1	.14	.07	Anaconda	2,500	.07½	.07½	.07½	.07½
No	.08	.04	Associated Oil	......	(.04 July 23)			
No	.06	.02	Baltic	1,000	.03	.03	.03	.03
1	.14	.08	Brit. Dominion	......	(.08 Aug. 12)			
No	.58	.32	Brown Oil	500	.37	.33	.33	.33
No	3.15	1.89	Calgary & Ed.	1,905	2.30	2.34	2.20	2.30
1	.63	.25	Calmont	518	.33	.32	.25	.32
1	.43½	.25	Commonwealth	1,450	.26	.28	.26½	.28
1	.06½	.01	Crow's Nest	......	(.01 bid .01½ asked)			
No	.70	.40	Dalhousie	150	.50	.50	.40	.40
No	.66	.30	Davies Pete	200	.30	.31	.31	.31
No	.15	.07	East Crest	......	(.07 bid ... asked)			
25c	.23	.14	Firestone	2,500	.15	.15½	.15½	.15½
No	.08½	.04	Freehold	42,000	.04½	.04½	.04	.04½
No	.23	.13	Foundation Pete.	2,000	.16½	.16½	.16½	.16½
No	.21	.14	Four Star	5,700	.15	.16	.15	.16
No	.38	.14	Hargal	......	(.15 Aug. 11)			
No	.20	.10	High Sarcee	200	.12	.10	.10	.10
No	1.46	.90	Home Oil	850	1.20	1.18	1.15	1.17
No	.09	.02½	Madison	4,000	.04½	.04½	.04½	.04½
No	.10½	.05½	Marjon Oil	8,000	.07	.07	.06½	.07
No	.28½	.13	McD. Segur Ex.	2,000	.14½	.15½	.14½	.15½
1	.30	.15	McLeod	......	(.18 Aug. 8)			
No	.19	.07	Mercury	1,500	.12	.10½	.10	.10
No	.08	.06	Merland	......	(... bid .06 asked)			
No	.12	.06	Mill City Pete	......	(.07 Aug. 1)			
No	.03	.02½	Midwest Pete	......	(.02½ bid ... asked)			
1	.42	.21	Model	1,000	.25	.24	.24	.24
25c	.19	.12	Monarch Royal	......	(.11 bid .13 asked)			
1	.19	.07	Nordon	......	(... bid .12 asked)			
No	2.25	1.04	Okalta	6,850	1.28	1.30	1.18	1.28
100	37.50	27.00	Do. pref.	4,900	27.00	37.50	33.00	34.00
No	.17	.06	Pacalta Oil	......	(.05 bid .06½ asked)			
25c	.51½	.28	Prairie Royal	10,000	.38	.38	.33	.33
No	48.00	35.00	Royalite	31	44.50	45.50	44.75	45.00
No	.16	.09½	Royal Canadian	2,800	.13	.12½	.11	.11
No	.65	.39	Southwest Pete.	......	(.30 bid ... asked)			
1	.20	.10	Spooner	......	(.12½ July 15)			
25c	.23	.04	Spy Hill Rlty.	......	(... bid .04 asked)			
No	.25	.10½	United	5,300	.13½	.13	.10½	.13
No	.09½	.05	Vanalta	500	.06	.06	.06	.06
1	1.21	.75	Vulcan	900	.85	.80	.76	.80
No	.34	.10½	West Flank	......	(.06 bid ... asked)			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 23, 1938

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 23	Asked	Bid Aug. 16
†Assoc. Tel. & T.	5½	'55	75	78	74
Beauharnois P.	5	'73	95½	98½	94
B. C. Power	4½	'60	99½	101½	99½
B. C. Telephone	4½	'61	105	108	105½
†Calgary Power	5	'60	99	102	98½
Do.	5	'64	98	101	97½
†Can. Nor. Pwr.	5	'53	103	106	102
‡Dom. Gas & El.	6½	'45	86	89	86
‡Gatineau Pwr.	5	'56	103½	106½	103½
‡Do.	5	'49	102	105	101
Gt. Lakes Pwr.	4½	'56	96½	99½	96
‡Inter. Hydro-E.	6	'44	79	82	76
▲Inter. Power	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	103	106	103
Do.	5½	'64	103	106	103
Mtl. L., H. & P.	3½	'56	101½	104½	102
Do.	3½	'73	95½	98½	96
†Mtl. Tramways	5	'41	99	102	99
†Do.	5	'55	73½	76½	74
Nat. Lt. & Pwr.	6	'49	93½	96½	94
N. S. Lt. & Pr.	4	'57	99	102	98½
‡Ottawa Light Heat & Pwr.	4	'57	98½	101½	98
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	98	101	99½
Quebec Power.	4	'62	96½	99½	96½
§Saguenay Pr., A	4½	'66	103	106	103
Do., B	4½	'66	103	106	103
Shaw. W. & Pr.	4	'61	99½	102½	99½
Union Gas	4½	'50	100½	103½	100½
Wpg. El. Ser. A	4	'65	63	66	64
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	67	70	65½
Acadia Sugar	4½	'55	101	104	101
†Alta. Pa. Grain	6	'46	88½	91½	87
Atlantic Sugar.	4	'51	99	102	99
B. A. Oil	4	'45	103	106	103
§Brown Co.	5½	'46	54	57	54
†Burns & Co.	5	'58	63½	66½	62½
Canada Bread	6	'41	107½	110½	107½
Canada Cement	4½	'51	102½	105½	103
Canada Paper	4½	'52	98	101	98
Can. Steamship	5	'57	82½	85½	82
Candn. Canners	4	'51	99½	102½	100
‡Can. Int. Paper	6	'49	98	101	96½
‡Candn. Vickers	6	'47	99½	102½	99½
C. P. R.	3½	'51	86	89	86
Do.	4	'49	89½	92½	90
Do.	4½	'44	95½	98½	94½
Do.	6	'42	103½	106½	103½
Do., debs.	4 perp.		77½	80½	78
†Consol. Paper	5½	'61	52	55	50
Dom. Coal	4½	'52	102	105	102
▲Dom. Stl. & C.	6½	'55	101½	104½	102
Dom. Tar	4½	'51	100½	103½	100½
†Donnacona P.	4½	'56	75½	78½	75½
Famous Players	4½	'51	97	100	97
†Federal Grain	6	'49	93½	96½	93
†Fraser Cos.	6	'50	98½	101½	98½
Gen. Stl. Wares	4½	'52	95	98	94½
‡Great Lakes P.	5	'55	90	93	89
‡Gypsum, Lime.	5½	'48	97	100	97
Ham. By-Pr. C.	5	'55	100	103	99½
Inter-City Bak.	5½	'48	103	106	103
‡Inter. P. & P. Nfld.	4½	'68	100	103	100
Lake St. John P. & P.	5½	'61	91½	94½	90
†Massey-Harris	5	'47	100	103	99½
†McColl-Fron.	4½	'49	98	101	97½
McCormick's	4	'52	83½	86½	83
‡M. & O. Paper	6	'45	37½	40½	36½
Nat. Grocers	4	'47	100	...	100
†N. S. Stl. & C.	5	'59	93½	96½	94
†Do., debs.	6	..	39½	43½	38½
Price Bros.	5	'57	96	99	95½
‡Prov. Paper	5½	'47	101½	104½	101½
Reliance Grain	4½	'52	92	95	92
†Restigouche Co.	6	'48	96	99	96
Rolland Paper.	4½	'51	102½	105½	102½
Simpsons Ltd.	4½	'51	97	100	97½
Smith, Howard	4½	'51	102	105	103
†Steel of Can.	6	'40	108½	111½	108½
‡United Gas	5½	'48	103	106	103
United Gr. Grs.	5	'48	93	96	93
†West. Grain	6	'49	45	48	46

‡ Payable in Canada or U.S.
† Payable in Can., U.S. or U.K.
▲ Payable in Can. or U.K.
§ Payable in U.S. only.

Winnipeg Stocks

(Transactions from Aug. 15 to Aug. 20)

	Sales	High for period	Low for period	Close Aug. 20
Berens River	100	.80	.80	.80
Central Man.	4,000	.05	.04½	.05
Dom. Env., p.	2	95.00	95.00	95.00
Flin Flon	3,700	.05½	.04½	.04½
Gold Lake	1,000	.02	.02	.02
Gt. Falls M.	1,500	.05½	.05	.05½
Gurney Gold	11,751	.12½	.10	.10
Marvel Oils	1,000	.03	.03	.03
Ore Grande	600	.03½	.03½	.03½
Nor. Trust	25	7.00	7.00	7.00
Star Lake	3,960	.03	.02	.02⅞
Sachigo R.	125	17.00	16.75	17.00
Sunbeam K.	200	.49	.48	.49
West. Steel	15	11.00	11.00	11.00
Wingold	3,000	.03½	.03½	.03½
Wings Ltd.	2,125	.40	.35	.40
Western Brew.	505	2.25	2.00	2.25
Winnipeg R. Tin	1,000	.01½	.01½	.01½

Stocks Not Traded in During Week

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Nor. Mtge. part pd.	2	...
Nor. Can. Mtge., p.	3	...
Traders' Building	83	...
United Grain	7½	10
Western Grain, pref.	...	12

*Stocks more active on other exchanges not included.

Municipal Bonds

Aug. 23, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	113.00	114.50	4.02
Hamilton	5	1950	111.50	113.00	3.65
Montreal	5	1945	104.50	106.00	3.95
Ottawa	4½	1945	108.80	110.30	2.85
†Quebec	5	1959	105.50	107.00	4.48
Saint John	5	1959	107.00	108.50	4.12
†Toronto	4½	1955	113.25	115.25	3.30
†Vancouver.	5	1950	84.00	87.00	6.53
Winnipeg	5	1944	96.00	100.00	5.60

†Payable Can. and N. Y.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 23, 1938

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.60	4.95
Acme Farmers Dairy, pfd.	16.50	....
Algoma Steel, com.	10.25	11.00
Do., pfd.	62.00	64.00
Andian National	39.50	41.00
Anglo Can. Tel., A	8.25	8.75
Barrymore Cloth, pfd.	28.25	28.00
B. C. Pulp & Paper, com.	*16.00	17.00
Do., pfd.	*54.00	....
B. C. Sugar	83.00	86.00
Burns & Co., A	5.00	6.00
Do., B	2.65	3.50
Can. Airways	1.50	2.25
Can. Industries, A com.	215.00	220.00
Do., 7% pfd.	166.50	169.00
Can. Ingersoll Rand	124.00	128.00
Can. Tube & Steel, com.	3.25	5.00
Do., 1st pfd.	65.00	68.00
Chase, A. W., pfd. bonus	26.00	27.50
Claude Neon, pfd.	5.25	6.00
Cons. Sales Book, pfd. bon.	82.50	....
Copeland Flour Units	5.00	7.00
Corrugated Paper Box, com.	1.75	2.50
Do., rts.	....	10.00
Dom. Manufacturers, com.	3.50	5.00
Do., pfd.	60.00	65.00
Dominion Woollens, pfd.	1.00	1.25
Dunlop Tire, pfd. par $25	18.75	19.50
Federal Grain, com.	2.25	2.75
Do., pfd.	31.00	34.00
Goderich Elevator	6.40	7.00
Guelph Carpet, pfd.	102.50	104.00
Do., com.	16.50	18.50
Hayes Steel Prod., com.	6.00	7.00
Do., pfd.	7.50	8.50
Highland Dairy, pfd.	41.50	48.00
Home & Indust. Bldg. Prod.	....	3.15
Kingston Shipbuild. Units	9.25	10.50
Loblaw Inc., pfd. bonus	73.00	....
Morrison Brass, pfd. bonus	6.50	8.00
Morrow Screw, pfd. bonus.	95.00	99.00
Mount Royal Hotel, pfd.	2.75	3.50
Neilson, Wm., pfd.	98.50	....
New Brunswick Tel.	12.35	13.00
New Method. Laund., pfd. bonus	53.00	57.00
Niag. Lower Arch Bridge	69.00	....
Paterson, Wm., pref.	101.00	....
Provincial Paper, pfd.	101.50	103.00
Reliance Grain, pfd.	57.00	60.00
Rob. Consol. Cone	8.75	9.25
Ruddy, E. L., pfd.	25.00	27.00
Seal O Sac (Can.)	3.00	3.75
Standard Fuel, com.	3.00	5.00
Do., pfd.	57.00	62.00
Stedman Bros., pfd. par $50	54.00	55.50
Supertest Pete., B pfd.	27.00	30.00
Toronto Carpet, com.	26.00	32.00
Do., pfd.	55.50	60.00
United Farmers Co-op.	3.00	4.00
United Steel, A pfd.	18.50	19.50
Viceroy Mfg., pfd. & rts.	21.00	22.75
Western Grain, pfd. bonus	6.50	8.50
Western Steel Prod., com.	10.65	11.50
Weston (Geo.) Foods (Eng.)	3.50	4.00
Willards Choc., pfd.	23.00	....
Wings Limited	.40	.50
Trusts and Loan Stocks:		
British Mortgage	140.00	....
Commercial Finance, com.	2.65	3.10
Guelph & Ont. Inv., par $50	50.50	....
London & West. Trust	30.00	37.00
Monarch Mort. Inv. Units.	.75	1.00
Premier Trust	....	110.00
Sherbrooke Trust	120.00	....
Sterling Trust	43.00	48.00
Traders Fin., A com.	15.00	16.00
Do., A pfd.	84.00	....
Do., A 6% pfd. W.R.	94.00	97.00
Do., B pfd. W.R.	95.00	98.00
Trusts & Guarantee	24.50	26.00
Insurance Stocks:		
Canada Life	525.00	530.00
Can. Ins. Shares	20.00	21.50
Confed. Life, 25% pd.	135.00	....
Crown Life Fully Pd.	216.00	....
Dominion Fire Ins.	142.00	....
Dom. of Can. Gen.	110.00	115.00
Empire Life 25% pd.	10.00	11.25
Federal Fire 25% pd.	48.00	....
Great West Life	305.00	....
Imperial Life	325.00	345.00
Manufacturers Life	250.00	260.00
Monarch Life 10% pd.	24.50	26.00
Sovereign Life 25% pd.	12.00	13.50
Sun Life	485.00	510.00
Toronto General	5.00	6.25
Western Assce., pfd.	41.25	43.00
Do., com.	49.00	53.00
Theatre Stocks:		
Allens Kingston, pfd.	65.00	70.00
Do., London, pfd.	52.00	....
Do., St. Catharines, pfd.	61.00	65.00
Do., Tor., pfd. bonus com.	31.00	....
Loew's London, pfd.	3.00	3.90
Mansfield Theatre, pfd.	22.00	....
Paramount Kitchener, pfd.	48.50	52.00
Do., Oshawa, pfd.	87.00	90.00
United Amusement, A	15.00	16.00
Do., B	15.00	16.00
Investment Trust Shares:		
Can. Gen. Invest.	8.60	8.90
Can. Investment Fund	3.90	4.25
Can. Investors	6.25	7.00
Inv. Foundation, pfd. bon.	53.50	57.30
Sec's. Hold., pfd. bonus	17.00	18.00
United Corp., A	20.25	21.50
Do., B	10.50	12.00
Power Issues:		
Can. West. Nat. Gas, com.	25.00	28.00
Do., pfd.	93.50	95.50
Great Lakes Power, pfd.	100.50	104.00
Inter. Util., $1.75 pfd.	7.50	9.00
Do., $7 pfd.	80.00	....
Montreal Island Power, pfd.	18.75	21.00
Northern Ont. Power, pfd.	98.00	101.00

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Aug. 23	30,600	53,000	422,000
Aug. 22	12,400	27,500	423,000
Aug. 20	7,500	11,400	256,000
Aug. 19	16,100	34,800	415,000
Aug. 18	13,400	45,100	551,000
Aug. 17	16,300	42,800	606,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.60	3.85
Can. Inv. Fund	3.90	4.25
All Can. Trustee	12.25	12.90
Trans-Canada	....	12.85
Grouped Income	5.30	...
Can. Int. Tr., modified	5.00	5.75
Do., unmodified	4.50	5.25

Unlisted Mines

TORONTO
August 23, 1938

	Bid	Ask.
Addington	.17	.20
Albany R.	.22	.24
Algoma S.	.21	.22
Amorada	.06	.08
Arjon	.04	.05
Armistice	.03½	.04½
Argosy	.04½	.05½
Arno	.02	.02½
Athona	.05	.07
Area	.17	.17⅜
Bailor	.01	.01½
Barb Lar.	.27	.29
Bear	.35	.38
Bidlamaque	..	.04½
Big Master	..	.04½
Bilmac	.09½	.11
Baldwin	.01½	.02
Buf. Bear	.22	.24
Cuniptau	.07½	.08½
Calder Bo.	.04	.04½
Camlaren	.20	.23
Cana. Pan.	.04½	.05
Cana. Kirk.	.01	.01½
Capital Ro.	.03½	.03⅜
Central M.	.05	.06
Chan Yell	..	.24
Cheminis	.07½	.08½
Coin Lake	..	.05
Crowshore	.12	.13½
Con. Kirk.	.12	.14
Dawson W.	.03	.03⅜
Delandore	.05½	.07
Delwood	.07½	.08½
Desantis (new)	.30	.33
Doreva	.07½	.07½
Devon	.20	.22
Don Mart.	..	.04
Dunlop (new)	.02½	.03½
E. Lacoma	.02	.04
Elmos	.33	.35
Faulkenham	.22½	.23½
Frontier	.05	.06½
Gate Pat.	.03	.04
Gilbec	.01½	.02½
Goldside	.01½	.01⅜
Golden G.	.46	.48
Golden Tr.	.07½	.09
Gordon Lb.	.05	.06
Hallnor	8.75	9.00
Halliwell	.04	.05
Hislop	.02½	.03½
Hiawa'a	1.10	1.20
Hutch Lake	.03½	.04
Hugh PP.	.12	.14
Keora	.03½	.04
Keystone	.01	.01½
Kaw Crow	.02½	.03
Kenricia	.24	.26
Kewaga'a	.14⅜	.15½
Kir. Vit.	.03	.03½
King Fish	.00⅜	.01½
Kirk. Gate	.06	.08
Kirk. Hunt.	.01⅜	.02½
Lacoma	.03½	.04
Lafayette	.01	.02
Lake Duf.	1.18	1.21
Lake Geneva	.16½	.20
Lake Rose	.07	.08
Lamaque	6.30	6.60
Lardego	.03½	.04
Lucky Kir.	.03½	.07
Magnet L.	.12	.14
Magnet C.	.60	.65
Malartic	.53	.55
Manco	.02½	.03
Martin B.	.17½	.19
Mata. Can.	.05½	.06½
Moffatt Hall (new)	.07½	.08½
McFar. LL.	.02⅜	.03
McCarthy	.06½	.08
McVit. Kir.	.03½	.03⅜
Monarch	.02	.02½
Mosher	.23	.25
Mooshla	.05½	.06½
Norlake	.02⅜	.03½
Norbeau	.70	.72
Negus	..	.80
North Sho.	.02½	.03
Oklend	.18	.20
O'Leary	.03½	.04½
Opemiska	.07	.10
Oriole	.05	.05½
Ossian	.04	.04½
Parkhill	.01	.02
Pascalis	.37	.40
Porc. Lake	..	.10
Porc. McN.	.03½	.04
Plains P.	1.35	1.50
Planet	.03½	.04
Pontiac	.20	.22
Pelangio	.05	.06
Polaris	.20	.23
Propri'y	1.80	1.85
Presdor	.11	.12
Queb. Mn.	.17	.20
Rand Ml.	.36	.38
Rajah	.02½	.03
Raymond	.61	.63
Ribago (new)	.07	.07½
Rich Rock	.08½	.09
Ronda	.17	.20
Rouyn Re.	.02½	.02½
Rubec	.01½	.02
Sachigo	16.75	17.50
Sand Rv.	.19	.20
Shenango	.06	.07
Sheldon	.10½	.11½
Silver Val.	.02½	.03½
Siscoe E.	.14	.16
Smelter	.03½	.04
South Ver.	.06	.06½
Spooner	.05	.06
Sturg. Rv.	.18	.19
Sunbeam	.44	.46
Sun Bear	.02½	.03½
Surf. Inlet	.17	.20
Springer	.09	.11
Tonawanda	.04	.04½
Up. Cana.	.59½	.61
Virita	.03	.05
Williamson	.02½	.03½
Wilport	.07	.08
Wesley	.03½	.04½
Wells LL.	.12	.14
Westside	.02½	.03
Westwood	.10½	.11½
White Horse	.04	.06
Winoga	.05½	.06½
Woco	.23	.25
Young David'n	.22	.24

MONTREAL
August 23, 1938

	Bid	Ask.
Abbeyville	.11	.13
Amity	..	.01½
Brown Cadillac	.01½	.02½
Chibmac	.02½	.03
Cournor	..	.20
Dempsey Cad.	..	.03
Dorval Units	..	8.50
Lake Rowan	.04	.06
L. L. Lagoon	.03½	.05
Leroy	.01½	.02
Margaret	..	.10
Obalski	.07½	.08½
Pan. Canadian.	.13	.15
Routhier Cad.	.05	.07
Valdor Min.	1.25	1.30
Warrenmac	.07	.10

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

	Aug. 24, 1938	Bid	Asked	Approx. Yld.
■2	1 Jan. '39	100.75	101.25	...
1	1 June '39	100.10	100.50	.40
2	15 Nov. '39	101.25	101.75	.67
2½	15 Oct. '39	101.75	102.25	.70
4	15 Oct. '39	103.50	104.00	.77
1½	1 June '40	100.75	101.25	.82
4½	1 Sept. '40	105.87	106.37	1.30
1	15 Mar. '41	99.50	100.00	1.00
5	15 Nov. '41	109.87	110.37	1.71
2	1 June '42	101.40	102.00	1.46
3	15 Oct. '42	104.50	105.00	1.75
2½	1 June '43	102.75	103.25	1.80
5	15 Oct. '43	113.12	113.62	2.20
2	1 June '44	99.62	100.12	1.98
■2¼	15 Jan. '44	102.00	102.75	▲1.60
4½	15 Oct. '44	111.87	112.37	2.33
2½	15 Nov. '44	101.75	102.25	2.11
■2½	15 Aug. '45	102.62	103.37	▲1.79
4	15 Oct. '45	108.12	108.62	▲2.22
4½	1 Feb. '46	112.00	112.50	2.65
3¼	1 June '49	102.75	103.25	▲2.78
3½	15 Oct. '49	104.00	104.50	▲2.70
3¼	15 Nov. '51	102.25	102.75	▲2.94
■5	1 May '52	112.25	113.00	▲1.43
4	15 Oct. '52	108.12	108.62	▲2.95
3	1 June '55	99.25	99.75	3.02
4½	1 Nov. '56	111.50	112.25	▲2.87
4½	1 Nov. '57	111.75	112.50	▲2.98
3	1 June '58	98.25	98.75	3.08
4½	1 Nov. '58	112.25	112.75	▲3.07
4½	1 Nov. '59	112.87	113.37	▲3.11
■4	1 Oct. '60	110.00	110.75	▲2.96
■3¼	15 Jan. '61	103.25	104.00	▲2.95
3¼	1 June '66	100.25	100.75	▲3.19
■3	15 Jan. '67	98.75	99.50	3.03
■3	Perp. bonds	89.50	90.25	3.32
	Dominion Guaranteed Bonds			
	Canadian National Railway:			
2	15 Jan. '42	101.00	102.00	1.41
2	15 Feb. '43	100.25	101.25	1.83
3	1 May '44	103.25	104.25	2.21
3	15 Dec. '50	98.75	99.75	3.02
3	15 Feb. '53	98.50	99.50	3.04
*4½	1 Sept. '51	115.25	116.25	3.02
*4½	1 Feb. '56	115.75	116.75	3.23
†4½	1 July '57	115.25	116.25	3.33
*4¾	15 June '55	117.75	118.75	3.30
5	1 Feb. '54	118.75	119.75	3.35
*5	1 July '69	116.75	117.75	▲2.53
*5	1 Oct. '69	120.00	121.00	▲3.17
*5	1 Feb. '70	120.00	121.00	▲3.17
	Provincial Government Bonds			
	New Brunswick:			
3	15 Oct. '51	92.00	93.00	3.66
3½	15 June '56	94.00	95.00	3.88
†4	15 Nov. '47	102.00	103.00	▲3.53
†4½	15 Apr. '61	104.00	105.00	4.16
†5	15 Jan. '60	109.00	110.00	4.28
	Nova Scotia:			
3	2 Jan. '52	96.00	97.00	3.27
3¼	1 June '56	98.00	99.00	3.32
3½	15 Dec. '49	101.50	102.50	3.24
†4½	15 Sept. '52	110.00	111.00	▲3.11
†4½	15 Nov. '60	112.50	113.50	3.62
†5	1 Mar. '60	117.50	118.50	3.74
	Ontario:			
2½	15 May '45	101.00	102.00	2.18
3	1 Dec. '51	98.75	99.75	3.02
3¼	15 Nov. '51	101.00	102.00	▲3.04
*4	1 June '62	109.00	110.50	3.36
4½	1 June '50	112.50	113.50	3.14
*4½	15 Jan. '62	114.50	116.50	3.47
5	15 Oct. '48	116.25	117.25	3.07
*5	2 Dec. '60	122.00	124.00	3.46
5½	1 July '46	116.50	117.50	3.00
	Ont. Hydro Comm.:			
3¼	1 Feb. '53	100.50	101.50	▲3.10
3½	1 Apr. '47	103.25	104.25	2.94
4¼	1 Jan. '70	119.00	120.50	3.65
	Prince Edward Island:			
3	1 Oct. '45	99.50	100.50	2.92
	Quebec:			
3	1 Nov. '51	97.50	98.50	3.14
3¼	1 Mar. '48	100.50	101.50	3.06
3¼	1 June '52	99.50	100.50	3.20
4	15 Mar. '52	105.50	106.50	3.41
4¼	1 Aug. '58	109.50	110.50	3.51
4½	2 Jan. '63	112.50	113.50	3.66
	Alberta:			
4	15 Dec. '54	56.75	60.75	§
4½	1 Oct. '51	62.25	66.25	§
†4½	1 Oct. '56	58.75	62.75	§
*5	1 Oct. '59	60.25	64.25	§
†5½	1 Apr. '52	62.75	66.75	§
6	1 Mar. '47	63.75	67.75	§
	British Columbia:			
†4	1 Dec. '57	88.25	91.25	4.69
*4½	15 Jan. '51	97.00	100.00	4.50
†4½	1 Oct. '53	95.75	98.75	4.61
†5	25 Apr. '54	99.50	102.50	4.77
5½	1 Feb. '45	102.00	105.00	4.60
6	15 Feb. '47	104.00	107.00	4.98
	Manitoba:			
†4	1 Dec. '57	84.00	88.00	4.97
†4½	25 Dec. '56	87.75	91.75	5.20
*5	2 Dec. '59	94.25	98.25	5.13
5½	1 Oct. '55	97.00	101.00	5.41
6	1 Apr. '47	98.75	102.75	5.59
	Saskatchewan:			
4	1 Nov. '60	70.00	74.00	6.15
†4½	1 Oct. '51	79.75	83.73	6.30
†4½	15 Mar. '60	74.00	78.00	6.37
5	1 Aug. '58	79.75	83.75	6.45
5½	1 Oct. '52	85.25	89.25	6.67
6	15 Mar. '52	88.00	92.00	6.90

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ▲Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Aluminium, pfd.	$1.50	Sept. 1	Aug. 15
Agnew-Surpass	30c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Anglo-Can. Tel., A	15c	Sept. 1	Aug. 15
Asbestos Corp.	50c	Sept. 30	Sept. 15
Do., extra	50c	Sept. 30	Sept. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Brown's Oil, pf.*	$3	Aug. 31	Aug. 22
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Borden Co., c.	30c	Sept. 1	Aug. 15
Bank of Montreal	$2	Sept. 1	July 30
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Cosmos Imp., pf.	$1.25	Oct. 15	Sept. 30
Can. Wire & C. pf.	$1.62½	Sept. 15	Aug. 31
Commoil	3.5c	Aug. 25	Aug. 11
Can. & Dom. Sug.	*12½c	Sept. 1	Aug. 15
Can. Indust., pf.	$1.75	Oct. 15	Sept. 30
Do., A & B	$1.25	Oct. 31	Sept. 30
Cre. Int. Inv. Tr. pf.	$1.25	Sept. 1	Aug. 15
Cap. W. Cloth, p.	$1.50	Sept. 1	Aug. 20
Confederation Life	$1	Sept. 30	Sept. 25
Canada Cement, pf.	$1	Sept. 20	Aug. 31
Can.-Perm. Mtge.	$2	Oct. 1	Sept. 15
Canada Vinegars	30c	Sept. 1	Aug. 20
Dom. Scot. Inv.	50c	Sept. 1	Aug. 20
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Found., pf.	$1.50	Sept. 1	Aug. 20
Dom. Ang. Inv., p.	$1.25	Sept. 1	Aug. 15
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 12
English Elec., A	62½c	Sept. 15	Aug. 31
Eastern Car, pf.	‡$30	•	Aug. 4
Electrolux	40c	Sept. 15	Aug. 15
Firestone Pete.	2c	Sept. 3	Aug. 20
Foundation Pete.	2c	Sept. 3	Aug. 20
Ford Motor	25c	Sept. 17	Aug. 27
Four Star Pet.	*3c	Sept. 2	Aug. 25
Gatineau Pr., c.	*20c	Sept. 15	Aug. 20
Do., pref.	$1.25	Oct. 1	Sept. 1
Ham. Cotton, pfd.	50c	Oct. 1	Sept. 15
Hollinger Cons.	5c	Sept. 9	Aug. 26
Huron & E. Mtge.	$1	Oct. 1	Sept. 15
Inter. Mining	10c	Sept. 20	Aug. 31
Inter. Nickel, c.	50c	Sept. 30	Aug. 31
Lava Cap. Gold	3c	Sept. 30	Sept. 10
Lake Shore M.	$1	Sept. 15	Sept. 1
Loblaw "A," "B"	25c	Sept. 1	Aug. 10
Lake of W. M. p.	$1.75	Sept. 1	Aug. 15
Louisiana Land, c.	10c	Sept. 15	Sept. 1
Laura Secord, c.	75c	Sept. 1	Aug. 15
Lang, J. A.	17½c	Oct. 1	Sept. 15
Little L. Lac	10c	Sept. 10	Aug. 31
Langley's, pref.	‡$2.50	Sept. 22	Aug. 24
Macassa Mines	5c	Sept. 15	Aug. 31
McKenzie Red Lake	3c	Sept. 15	Sept. 1
Montreal Loan	50c	Sept. 15	Aug. 31
McColl-Front., c.	10c	Sept. 15	Aug. 15
McIntyre Porc.	50c	Sept. 1	Aug. 1
Monarch Rylts.	1c	Sept. 3	Aug. 20
MacK. Steel, pf.	‡$1.75	Sept. 15	Aug. 31
N.S. L. & Pr. pf.	$1.50	Sept. 1	Aug. 13
Nat. Biscuit	40c	Oct. 15	Sept. 16
Do., pref.	$1.75	Aug. 31	Aug. 12
Ogilvie Flour, pf.	$1.75	Sept. 1	Aug. 19
Photo Engravers	50c	Sept. 1	Aug. 15
Pioneer Gold, B.C.	10c	Oct. 1	Sept. 1
Prairie Rylts.	2.5c	Sept. 3	Aug. 20
Paymaster Cons.	*1c	Sept. 15	Sept. 1
Provincial Bank	$1.50	Sept. 1	Aug. 15
Rolland Paper, pf.	$1.50	Sept. 1	Aug. 15
Royal Bank	$2	Sept. 1	July 30
Regent Knit., pf.	40c	Sept. 1	Aug. 15
Siscoe Gold	5c	Sept. 15	Aug. 31
Sec. Can. Int. Inv., p.	10c	Sept. 1	Aug. 15
Stuart D. Oil p.	20c	Sept. 1	Aug. 15
Sylvanite Gold, c.	5c	Sept. 30	Aug. 20
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	‡$1	Sept. 1	Aug. 15
Walker-G. & W.	$1	Sept. 15	Aug. 26
Do., pref.	25c	Sept. 15	Aug. 26
Wr.-Harg.	10+5c	Oct. 1	Aug. 26

‡On arrears. *Initial.
•Date of payment not set.

Dividends Deferred—

Corrugated Paper Box, pfd., due Sept. 1. Last paid $1.75 June 1, 1938.

Bond Tenders

7 p.m., Aug. 30, St. Joseph-de-Grantham, P.Q.—$45,300, and $17,700, 4½%, dated July 1, 1938, redeemable serially from July 1, 1939 to July 1, 1968. H. P. Precourt, sec.-treas.

Mining Dividends

	Rate	Close Aug. 22	Yield %
Anglo-Huronian	10c	3.30	3
Beattie Gold	10c	1.30	7.7
Bralorne	60c+30c	9.55	*9.4
Buffalo Ankerite	$1	15.75	6.3
Bulolo Gold	$3	28.50	10.5
Can. Malartic	6c	1.00	6
Cariboo	10c+4½c	2.60	*5.6
Central Patricia	12c	2.60	4.6
Coniagas	25c	1.50	..
Coniaurum	‡5c	1.40	..
Cons. Smelters	50c+50c	59.50	..
Dome Mines	$2	34.00	5.9
Falconbridge	30c	6.00	5
Gunnar Gold	†3c	.70	4.2
Hedley Mascot	12c+3c	1.18	*12.5
Hollinger	65c+45c	15.25	*7.2
Howey Gold	4c	.26½	..
Hudson Bay	$1.75	30.00	..
Inter. Mining	35c	9.50	..
Int. Nickel, com.	$2+25c	49.37	*4.5
Island Mountain	5c	1.35	3.7
Jack Waite	†1½c	.38½	..
Kerr Lake	5c	.75	6.7
Kirkland Lake	8c	1.30	6.2
Kootenay Belle	9c+1c	1.37	*7.3
Lake Shore	$4+$1	53.37	*9.3
Lava Cap M.	8c	.97	..
Little Long Lac	20c	3.45	..
Macassa	20c	5.25	3.8
McGillivray Creek	3c	.21	..
McKenzie Red Lake	12c	1.23	9.7
McKinley Sec.	5c	.65	7.7
Noranda	‡$2	73.50	..
Nipissing	15c	1.70	..
North Empire	50c	8.85	5.6
Oro Plata	†4c	.70	..
Paymaster	‡1c	.50	..
Pioneer, B.C.	40c	3.00	13.3
Pickle Crow	40c	5.20	7.7
Placer Develop.	$1.20	15.50	7.7
Premier	12c	2.32	5.2
Reno	12c	.44	..
San Antonio	14c	1.25	11.2
Sheep Creek	12c+2c	.97	*14.4
Silbak Prem.	†4c	1.80	..
Siscoe	20c+1c	2.12	*10
Sudbury Basin	10c	2.55	..
Sullivan Cons.	5c	1.08	4.6
Sylvanite	20c+5c	3.30	*7.6
Teck-Hughes	40c+10c	4.80	*10.4
Toburn	8c+4c	2.10	*5.7
Ventures	37½c	5.50	6.8
Wright-Harg.	40c+30c	7.90	*8.9

†Initial. *Yield includes bonus.
‡Interim.

Public Utility Earnings

Brazilian Traction

	1938 $	1937 $	Decr. $
July—			
Gross earn.	3,269,882	3,574,702	304,820
Oper. exp.	1,508,664	1,539,797	31,133
Net earn.	1,761,218	2,034,905	273,687
Seven Months—			
Gross earn.	21,743,007	22,109,307	366,300
Oper. exp.	10,216,362	9,920,904	295,458
Net earn.	11,526,645	12,188,403	661,758

DIVIDEND NOTICES

SISCOE GOLD MINES LIMITED

NOTICE OF DIVIDEND NO. 26

Notice is hereby given that a dividend of five cents (5c) per share on the issued capital stock of Siscoe Gold Mines Limited has been declared, payable on September 15th, 1938, to shareholders of record at the close of business on the 31st day of August, 1938. The stock transfer books of the company will be closed from September 1st to September 15th, inclusive, for the purpose of the payment of the said dividend.

By Order of the Board.

H. E. GREEN,
Secretary-Treasurer.

Montreal, August 19th, 1938.

DIVIDEND NOTICE

English Electric Company of Canada, Limited

CLASS "A" SHARES

Notice is hereby given that the Board of Directors have declared a dividend of sixty-two and one-half cents (62½c) per share on the outstanding Class "A" shares of the Company, payable Sept. 15th, 1938, to shareholders of record at the close of business on Aug. 31st, 1938.

AUBREY MUNDY,
Secretary.

August 19th, 1938.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 54

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Thursday, September 15, 1938 to shareholders of record at the close of business on August 26.

DIVIDEND NO. 55

A quarterly dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this company, payable Thursday, September 15, 1938 to shareholders of record at the close of business on August 26.

By Order of the Board.

FLETCHER RUARK,
Secretary.

Walkerville, Canada
July 22, 1938.

Little Long Lac Gold Mines Limited

25 King St. W., Toronto, Ont.

DIVIDEND NOTICE

Dividend No. 9

Notice is hereby given that a dividend of 10c per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian funds on September 10, 1938, to shareholders of record at the close of business on August 31, 1938.

By order of the Board.

L. A. MACDONALD,
Secretary-Treasurer.

August 18, 1938.

CANADA PERMANENT Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

SATURDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1938.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 17th, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Imp. Airways Broaden Plans

Bigger Aircraft Scheduled for Montreal Run Next Month

From Our Own Correspondent

MONTREAL.—Imperial Airways announces that in addition to further North Atlantic test flights this summer by the seaplane "Mercury," two new types of aircraft, one a big flying boat and the other a long-range, high-speed type of land plane, are now scheduled for this route.

One of these new aircraft is the four-engined Imperial Flying Boat "Cabot"—a marine-type aircraft which will be capable of carrying an appreciably bigger load, when making a non-stop ocean crossing, than did the flying boats employed in last summer's North Atlantic air tests.

Several Flights Planned

The other new aircraft is a four-engined "Albatross" air liner of a monoplane type. Two of these Albatross monoplanes are scheduled to make flights across the North Atlantic this summer to Montreal and New York.

The first flight by Albatross No. 1 will probably be made about the beginning of September and this same machine is scheduled for another flight early in October; while the second of the Albatross monoplanes is likely to make a crossing early in October.

The new flying boat "Cabot" will probably make a return trip across the Atlantic toward the end of September, following this by a second flight about the middle of October.

Lake of Woods Milling Adds Importer to Board

From Our Own Correspondent

MONTREAL.—J. H. Pillman, of Pillman and Phillips, flour importers of London, England, has been elected a director of the Lake of the Woods Milling Co. His firm is sole representative of Lake of the Woods Co. in England.

For many years past Mr. Pillman has played a prominent part in the affairs of the import flour trade of Great Britain. He is generally regarded as one of its leaders. He has served at various times as president of the National Flour Importers Association and the London Flour Trade Association. He also is a member of the Wheat Commission, representing the flour importing trade of the United Kingdom.

Anaconda Oil Reports Loss of $1,995 For Year

Anaconda Oil Co., reports a loss of $1,995 for the year ended May 31, 1938, before allowance for depletion. In the previous year loss amounted to $4,850. As at May 31, 1938, current assets totalled $23,252 including cash of $23,087 as against current liabilities of $6,731.

Royalty interests held comprise a 10% net interest in Model-Anaconda No. 2, 8½% net interest in Anaconda No. 2, 10% net interest in Spooner Anaconda No. 5 well and 10% net royalty interest in the Royalite No. 30 well.

The company is drilling a well on the Steveville structure where it owns 1,760 acres and this well is now down 2,100 ft. British Colonial Oils is drilling a well on a sub-lease owned by the company.

Mining Company Options

Wood Cadillac Mines—Following expiration of old financing agreement on Aug. 16, new underwriting and option agreement drawn up with C. A. Gentles & Co., providing for sale of 100,000 shares at 20 cents per share of which 50,000 paid for, with balance to be taken up within 30 days. Options are granted on three blocks of 100,000 shares each, first two blocks to be taken up at 20 cents within 75 and 120 days of Aug. 17 respectively and third to be taken up at 30 cents within 165 days of Aug. 17. Fifteen days grace granted on installments. Issued capital, 3,548,300 shs.

Payore Gold Mines—Aug. 15 underwriting on 50,000 shares at 12 cents per share taken up; also Sept. 1, Oct. 1 and part of Nov. 1 installments exercised, comprising 50,000 shares at 14 cents and 88,846 shares at 16 cents. Balance of Nov. 1 installment comprises option on 11,154 shares at 16 cents.

Dorval-Siscoe Mines—Option on 100,000 shares at 15 cents due Aug. 11 and extended 15 days will not be taken up and agreement allowed to lapse.

Au-Lac Mines—Agreement May 17 with Inverness Securities Co., assigned to C. R. Jenner and W. J. P. Jenner, and by agreement Aug. 15, C. R. Jenner and W. J. P. Jenner received option on 630,000 shares, 90,000 shares at 5 cents, payable by Oct. 22, 1938; 190,000 shares at 5 cents payable by Feb., 1939, and balance at 7½ to 10c., payable by Aug., 1939, with option on further 1,100,000 shares at 15 to 50c., payable $7,500 monthly, to be completed by Sept., 1940.

Bush Lake Gold Mines—On Aug. 17, Fred S. Stratford purchased 10,000 shares at 10c. per share, payable $500 forthwith and balance by Sept. 1, 1938. Company incorporated, Feb., 1938; authorized capital 3,000,000 shares with 1,006,518 shares issued.

Dolan Exploration (Trust)—On Mar. 3, E. H. Pooler & Co., purchased 200 units at $22.50 per unit and received option on 200 units at same price, payable by Mar. 1, 1939, with further option on balance of units at $22.50 payable by Mar. 1, 1940. Syndicate organized Feb. 27, 1937; present capital 1,200 units, $25 par value with 121 units issued as at Mar. 3, 1938.

Universal Exploration Co. (1937) Ltd.—Agreement with Elgin Investments Ltd., has been cancelled.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 224

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1938, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of October, 1938, to shareholders of record of the 20th September, 1938.

By Order of the Board.

Robert Rae,
General Manager.

Toronto, 11th August, 1938.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 309

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 9th day of September, 1938, to shareholders of record at the close of business on the 26th day of August, 1938.

Dated the 19th day of August, 1938.

I. McIVOR,
Assistant-Treasurer.

CHAMPION SAVINGS

L. R. Champion, president of Champion Savings Corp., which has moved its head office from Edmonton to Montreal.

This company issues savings certificates under the trust agreement with the Montreal Trust Co., which acts as trustee for the certificate holders. The trustee invests the proceeds from the sale of certificates in Government and municipal bonds and in first mortgages on owner-occupied homes.

U.S. Advertising Better For July

Improved Trend if Continued Will Find Reflection in Use of Paper

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 metropolitan cities in the United States during July, as measured by Media Records and reported by Editor and Publisher, showed a definite improvement over the previous month. All classifications, except automotive, recorded a gain.

Total linage for the month was 83.6 millions, a decline of 15.8% from last year's figure, as compared with a decline of 19.2% in June.

Compared with last year display linage in July was off 17.3%, against 19.6 in June; classified 10.2%, against 17.4% in June; retail, 11.9% against 13.8% in June; department stores, 8.6%, against 15% in June; general, 24.1%, against 29.7% in June; automotive 48.7%, against 40.9% in June, and financial, 6.2%, against 24.7% in June.

Fleet Aircraft Co. Minority Shares in Deal

From Our Own Correspondent

MONTREAL.—Arrangements have been made by Nesbitt, Thomson & Co. to acquire most of the minority interest of Fleet Aircraft shares which have been held by Consolidated Aircraft.

In the fall of 1936, Nesbitt, Thomson & Co. acquired 50,000 shares of Fleet Aircraft which were offered to the public at $7.50 a share. An additional 30,000 shares were turned over to Consolidated Aircraft Corp. for special rights, production drawings, and tools. Another 10,000 treasury shares are reserved for granting stock option warrants to certain employees.

At the end of last year, Consolidated Aircraft was reported as holding 36,000 shares. It is this block of stock which Nesbitt, Thomson & Co. are planning to acquire.

Board Plans to Improve McColl-Frontenac Wharf

From Our Own Correspondent

MONTREAL.—National Harbors Board has called for tenders for additions to sections 89 and 100 in the Lower Montreal Harbor, where McColl-Frontenac Co. berths its tankers.

The McColl-Frontenac berth will be the second tankers' docks to be enlarged and improved. Extension to the Imperial Oil wharves, just below the McColl berths, was completed this summer, giving that section greater accommodation for tankers.

Pitfield on Noranda

Achievement of Noranda Mines Ltd. in controlling production from the mine to refined products and the growing importance of its subsidiaries are stressed in a circular just published by Pitfield & Co. The circular points out that the new ore body opened up by its subsidiary, Waite Amulet, is the most important development since discovery of the original Horne Mine. Attention is also given subsidiaries, Pamour and Hallnor.

Week in Wheat

Overseas Buying Lags—Awaiting Developments

Rumors That American Wheat May be Admitted Duty Free by Britain Upset Trade — Might Mean Adjustment in Prices and Routes

From Our Own Correspondent

WINNIPEG.—Liverpool reports insist that there will shortly be a large business done in Canadian wheat. Overseas purchasers, however, are still delaying forward commitments as much as possible, awaiting clarification of the wheat situation.

Latest rumors of the possible abolition of the British duty on wheat under the coming treaty with the United States have intensified the disposition to delay. Importers naturally do not want to take wheat from that country now if by a brief delay they will be able to get it duty free. Nor do they want to commit themselves to purchases from Canada until they can calculate what, if any, changes may be brought about in price relationships between Canadian and United States wheat.

If American wheat is to be admitted on the same free basis as Canadian it will mean probably a considerable readjustment in shipping routes. Canadian grain might again flow in quantity from the head of the lakes via Buffalo. An alternate route would be available from Fort William, increasing the storage advantages of that port to the disadvantage of those located farther east in Canada.

Whether the British duty on foreign wheat has ever really helped Canada has been a debatable point but removal of the levy at this time would certainly mean some readjustment in the price situation, especially if unaccompanied by assurances from Washington that there would be no dumping.

Board Taking All

This week deliveries of wheat to the Canadian Wheat Board began as official instructions reached local elevators in western Canada concerning purchases on account of the Board. As market prices are below the government minimum, all wheat reaching elevators is being delivered to the Board. A limited number of farmers are holding back deliveries in the hope that prices may rise later, but others have accelerated deliveries for fear that the Government, if market declines persist, might reduce the minimum price basis.

For the moment the Wheat Board is practically the only seller of wheat, although later, as grain passes into other hands, it will be subject to resale.

* * *

U. S. Threat

Markets, both on this continent and elsewhere, received a bad shock last week from the threat U. S. Secretary of Agriculture Wallace made to undertake large-scale subsidizing of exports. Later there was some tendency toward steadiness when it was realized that the export subsidy programme was being passed in government circles and the inclination was to believe that it would not be put into effect.

United States markets at the moment are bearing the impact of heavy deliveries of spring wheat. Deliveries of winter wheat have slowed down, the tendency developing for farmers to hold because of unsatisfactory prices. These growers will either feed to livestock or sell later if prices rise.

Official reports of the United States carryover at July 1 shows smaller quantities on hand than anticipated, and reveals the fact that feeding of low-grade wheat has been apparently carried on this past year to an unexpected degree. A further large increase in carryover, however, is anticipated during the current year.

* * *

European Buying

Both Germany and Italy have been buying wheat, but purchases have been restricted to Danubian countries for political as well as economic reasons. Russia continues to ship considerable quantities of winter wheat, although the trade at Liverpool does not expect this movement to last long, believing that damage done to spring wheat will limit Russia's ability to export.

A tendency continues for overseas purchasers to limit their buying to a hand-to-mouth basis. So far as United States wheat is concerned they count on the possibility of lower prices. Apparently they are awaiting market developments to determine to what extent Canadian wheat will be included in their milling mixes.

* * *

Price Declines Near End?

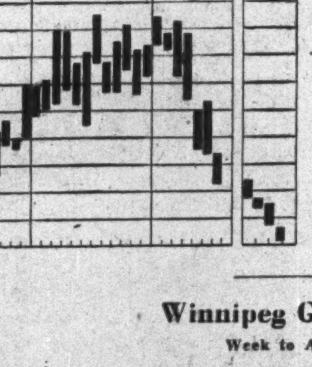
The level of Canadian prices is necessarily closely related to that prevailing in the United States. A considerable number of market observers in that country believe that price declines there have run their course. They believe that pressure on the market will be reduced both by farmers holding back supplies and by the absorption of considerable quantities under the Government Loan Plan. However, a later plan still seems to be meeting with considerable difficulties in its application, and there is great uncertainty as to the extent to which wheat is likely to be stored and tied up as security for loans.

* * *

Crop Estimates

There continues to be a wide degree of variation in estimates of the western crop, the range being from under 300 million bushels to over 350 millions. Accurate estimates are impeded by the spotty nature of the crop. A continuance of scattered showers over much of the West has slowed down both harvest and threshing operations. A few days of uninterrupted dry and sunny weather would see deliveries on a considerable scale, though already last year's rate has been exceeded. Quality so far is fairly high, though average cannot yet be determined.

Wheat Prices



(Cash Quotations)

	For Week Aug. 23 High	For Week Aug. 23 Low	Prev. Week High	Prev. Week Low
1 Northern	.76⅜	.72½	.84⅛	.77⅛
2 Northern	.74⅜	.71½	.82⅞	.75⅛
3 Northern	.72⅜	.69½	.78⅞	.72¼
4 Northern	.62⅜	.61⅜	.67⅞	.62⅛
5 Wheat	.54⅜	.53⅜	.60⅞	.54⅛
6 Wheat	.48⅜	.47⅜	.54⅞	.48⅛
Feed Wheat	.45⅜	.44⅜	.51⅞	.45⅛

Competitive Export Prices:
Aug.-Sept. shipments:

	Week to Aug. 23 High	Week to Aug. 23 Low
No. 1 North. (Van.)	.88½	.86½
No. 3 North. (Atlan.)	.85⅜	.84¼
Australian (afloat)	.86½	.81¾
Indian (choice Karachi)	.88½	.83⅜
U. S. Hard Winters	.85	.82⅜
U. S. White Pac.‡	.79⅜	.77⅛
Argentine Barusso	.85	.83⅜
Russian†	.73	.71⅜

†New crop.
‡Loading.

Winnipeg Grain Futures

Week to Aug. 23, 1938

Crop year from Aug. 1, 1938 High	Crop year from Aug. 1, 1938 Low		Open Aug. 17	High for week	Low for week	Close Aug. 23	Close year ago
		Wheat					
.77⅞	.66⅝	*Oct.	.68¼	.68⅞	.66⅞	.67½	1.22
.76⅜	.65¼	Dec.	.67¼	.68½	.66⅜	.66⅞	1.18⅞
.77¼	.67	Nov.	.68⅝	.68⅞	.67	.67⅛	.....
.79⅛	.68⅛	May	.69⅞	.71⅜	.69⅜	.70	1.20½
		Oats					
.32⅞	.30¼	Oct.	.30½	.32⅜	.30¼	.31¼	.46¼
.30⅞	.28¾	Dec.	.29⅜	.30¾	.29⅜	.29¾	.43⅞
		Barley					
.45	.37⅝	Oct.	.37¾	.38⅜	.37	.38⅛	.55½
.44⅛	.36½	Dec.	.37½	.38½	.36½	.37⅞	.54½
.44⅝	.37½	May	.39	.40	.38⅛	.39⅛	.55⅞
		Flax					
1.43⅝	1.40¾	Oct.	1.41½	1.41½	1.41⅛	1.41¼	1.73¾
		Rye					
.46½	.39¾	Oct.	.40⅞	.41¾	.39¾	.39⅞	.83½
.47⅞	.40⅜	Dec.	.41⅞	.42½	.40⅜	.40⅜	.81½
.47⅜	.42⅞	May	.44	.45⅛	.42⅞	.42⅞	.83⅛

Fruit Marketing Enquiry Is Sought

B. C. Grower Charges Jobber-Shipper Combine on Prairies

From Our Own Correspondent

VANCOUVER.—Another investigation of the fruit marketing set-up in British Columbia and the prairies similar to the one carried out in 1925-26 by Lewis Duncan, K.C., of Toronto, is indicated as a result of charges made at a meeting of growers in Vernon last week by Godfrey Isaacs, a grower.

Mr. Isaacs claims that marketing of fruit and vegetables in the three western provinces is controlled by a jobber-shipper combine, and has asked the provincial and federal governments to conduct an enquiry under the Combines Act.

The provincial government has intimated, through Hon. K. C. MacDonald, minister of agriculture, that an enquiry will be held if Mr. Isaacs' case is further substantiated. Action under the Combines Act would be a federal matter.

Wilder Realty Corp. Completes Reorganization

From Our Own Correspondent

MONTREAL.—Wilder Realty Corp., Montreal, has sent a notice to holders of the 6½% first mortgage 15-year sinking fund bonds to say that the adopted plan of reorganization has been confirmed by the issuance of a supplementary trust deed between the company and the Royal Trust Co. as trustee, and the Equitable Trust Co. as co-trustee.

Nat. Steel Car May Show $9

From Our Own Correspondent

MONTREAL.—Earlier estimates that National Steel Car Co. would show earnings of around $7 a share for the year ended June 30 are being revised upward. It would not be surprising now if the statement were to show close to $9 a share, the largest figure ever reported.

Revision of the earlier estimate is reported due to the fact that depreciation reserve will not be materially added to, as in the past, because the company already has written off about half of its property account.

McKinley Mines Has Sale Offer

Argus Interests Plan to Purchase Shares Outstanding

Argus Interests Ltd., a newly formed company, is making an offer to McKinley Mines Securities' shareholders to purchase their shares at the price of 40 cents per share and one share of Argus Interests for each share held. The offer remains open to Sept. 30 and only becomes effective on acceptance by holders of 85% of the outstanding McKinley shares. The 40 cents per share which will be distributed if this arrangement goes through will not be subject to income tax, officials state.

The new company is incorporated with powers of a financial and investment company corresponding with the type of business carried on. It has a capitalization of 1,500,000 shares of which 1,050,000 to 1,070,000 shares are expected to be issued.

As at June 30, 1938, the balance sheet of McKinley Mines Securities showed current assets of $1,563,018 including cash of $568,764 and shares of $961,562 (market value $896,700). Current liabilities were $11,681. Profit for the six months ended June 30, amounted to $7,828. An additional profit of $120,948 was realized on investments.

Colborne, Ont.—Tax rate for 1938 has been fixed by the Colborne council at 61 mills, 2 mills less than in 1937.

Three Mills Soon Turn in Zeballos

Rey Oro, Privateer Goldfield, Expected Going by November

From Our Own Correspondent

VANCOUVER.—By the first week in November, the Zeballos mining district will have three gold mills in operation.

First of these mills, a small 25-ton plant, will be opened within a few weeks by the Rey Oro Mining Co. Next will be the Privateer's 75-ton mill, now being put in condition under supervision of the Connell Mining & Exploration Co., which acquired a large interest last spring.

Early in November, A. B. Trites' 75-ton gold mill at Goldfield will be crushing ore. This is to be an amalgamation flotation plant. The Privateer's is a cyanide mill.

Unusually dry weather in a district which usually counts on at least some rain almost every day of the year has facilitated prospecting and construction throughout the area, although no new strikes of importance have been reported in recent weeks.

Faulkenham Lake on Toronto Stock Exchange

Shares of Faulkenham Lake Gold Mines are being called for trading on Thursday, August 25, with ticker abbreviation **FAU**.

The company completed a financing agreement with Lawrence L. Hoffman of Buffalo on Aug. 20, 1938, by which 150,000 shares were underwritten at 12½ cents per share, 10,000 shares were underwritten at 15 cents per share and an option was granted on 660,000 shares at 12½ to 60 cents per share. The underwriting has been completed and 90,000 shares of optioned stock have been taken up, leaving 670,000 shares to be taken up in installments on the twentieth of each month from September to March. Next installment comprises 75,000 shares at 17½ cents per share.

It is planned to move the company's mining plant from the Faulkenham property to the adjoining Starratt-Olson property on which the company has a working option. A shaft is to be sunk to 300 feet followed by underground work.

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FAITH IN THE WEST JUSTIFIED

Faith in the West has been justified by events. Good rains this season have again fallen over the prairies and so a fair crop is now being harvested.

Our Company, throughout the long drought years, steadfastly maintained its faith in the West, and stated so publicly on every possible occasion, for past history has shown us that eventually drought years are succeeded by years of good rainfall, which in turn bring good crops; and so it has proved to be this year.

Much of the present good crop has been made possible only because of the generous help given to thousands of prairie farmers by the Dominion Government, and by Eastern private organizations, who made arrangements to supply the seed and feed so badly needed by those farmers who had long suffered from years of drought.

For all this, the West is grateful, and those who have assisted our good prairie people now find their faith justified, and let us hope will, in due course, receive the reward justly due to them for their foresight and courage.

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High-grade Bonds

My broker advises me to dispose of high-grade bonds and purchase some shorter term bonds, in view of the fact that high-grade bonds are close to an all-time high. What is your opinion of this move?

Your broker is probably right in stating that prices of high-grade bonds are at near record levels, and that any further rise is likely to be small. On the other hand, we see little prospect, over the next few months, that there will be any substantial drop in high-grade bond prices. If getting rid of these bonds means that you are disposing of your entire holdings of this class, such a move might hardly be wise, although it is difficult to say without knowing how much you would be dependent on income from these investments for living expenses.

The theory behind the suggestion that you should exchange some of your long-term bonds for those of shorter maturity, is that, in the event that interest rates do rise and bond prices fall, shorter term bonds will be less affected than will those of remote maturity. On the other hand, the yield on short-term bonds will be considerably less than that on longer term issues.

Western Savings

Would you please give me some information on Western Savings and Loan Association?

The assets of Western Savings and Loan Association, Winnipeg, Man., amounted to $1,602,251 at May 31, 1938, as compared with $1,462,662 at Dec. 31, 1937. Certificate liability at May, 1937, totalled $1,279,189.

Cash comprised $53,095 of the company's assets at May 31; bonds, securities and interest, $1,093,312; loans on certificates, $47,606; mortgages, $408,237 and real estate held by the company is carried at a nominal figure of $1, as well as furniture and equipment. No account is taken in the statement of overdue mortgage interest. The company had no defaulted bonds in its inventories at May 31.

Paid up capital amounted to $221,436, and surplus and reserve $101,627.

The association, in operation since 1927, operates under provincial jurisdiction in Manitoba, Alberta Saskatchewan and Quebec, and its investments are restricted to Dominion, provincial and municipal bonds, first mortgages and securities of loan companies whose investments are also limited to those permitted to the association itself.

Regulations of the association provide that 110% of its liabilities must be maintained in securities, a provision with which the company has conformed by maintaining the ratio at from 125% to 130%.

The association sells savings certificates payable with regular installments. Rates of interest on installment certificates are 4½% annually and 4% on other certificates.

Consolidated Paper

As subscribers we would appreciate your comments on Consolidated Paper 5½% First Mortgage debentures as an investment likely to appreciate in value.

Consolidated Paper Corp. First Mortgage Bonds are regarded as a satisfactory medium for the investor who is not concerned with immediate income. Under the plan of reorganization carried out in 1936 the bondholders agreed, in return for a block of common stock, to give up their rights to interest for the three-year period from July 2nd, 1936, to July 2, 1939. It also was agreed that interest for the two years commencing July 2, 1939, may be paid in stock, at the rate of 5½% annually. For this purpose the stock is to be valued at $11 a share. Last year the financial statement of the company showed a material improvement in earnings. However, it is expected that the 1937 report will not be as good owing to the falling off in the demand for paper resulting from the accumulation of surplus stock by the American publishers. The outlook for the newsprint companies is better. There should be more than a seasonable pick-up in the demand for newsprint in the last half of 1938, as the American buyers will not have an excess surplus to draw upon. It is still too early to form any definite opinion as to the outlook for profit in 1939. But considering the very substantial discount at which the bonds are selling, they are not without attraction for the investor who does not need income and is willing to wait for the industry to re-establish its earning power.

Canadian Celanese

Will you please be good enough to let me have whatever information you have available with respect to Canadian Celanese?

Canadian Celanese passed the dividend on its common stock last June. In deferring the dividends, directors were influenced by the fact that sales had shown a falling off in the first half of the year, while the ordinance passed by the Fair Wage Board added considerably to labor costs. Recently the outlook of the company has shown improvement. Not only does the management expect demand to improve, but prices may be higher. In 1937 Canadian Celanese showed earnings of $1.97 a share, but it is unlikely that the income for 1938 will be as high unless there is a marked improvement in conditions during the balance of the year.

Inter. Paper

Would you be kind enough to let us have your views on International Paper & Power Co.'s 5% preferred stock?

International Paper & Power Co. 5% preferred stock is regarded with speculative favor. As you are probably aware, the company reported a further loss in the second quarter of 1938, the total loss for the first half of the year amounting to over $700,000 after senior charges. This contrasts with a profit available on the preferred stock of better than $5 million for the first half of 1937. The outcome for the last six months is not very encouraging. Still prospects are better. If the expected upturn in business materializes, then it is possible that the company will show some earnings on its preferred for 1938. Given a reasonable volume of business, the company should have no difficulty in earning the dividend on the preferred which is now in arrears $5. It is well to bear in mind that this preferred is convertible into common, on the basis of 2½ shares of common for each share of preferred.

Dairy Corp.

I hold the bonds of Dairy Corp. and wonder when some action will be taken by the company to clear up the interest on these securities. What is being done and what is the company's position?

At Mar. 31, 1938, there were $655,600 of 6% 20-year debentures of Dairy Corp. outstanding in the hands of the public. In addition $60,000 was held by subsidiaries and $484,400 was pledged for bank loans at Mar. 31, 1937. Secured loans of Dairy Corp. at Mar. 31, 1937, amounted to $423,337 and loans of Canada Dairies at the same date, partly secured, totalled $194,000.

Interest on the debentures is being paid in class A shares, on the basis of one share for each $3 of interest falling due from July 1, 1936, to July 1, 1938, inclusive. This arrangement of payment of debenture interest was made in the reorganization of 1934.

A proposal to reorganize the company by funding the bank indebtedness and eliminating the present holding company was considered in 1936, but no definite plan was submitted to shareholders as satisfactory arrangements could not be made with respect to the company's bank loan.

Dairy Corp.'s statement for the year ended Mar. 31, 1938, is held up awaiting a plan to straighten out the corporation's banking loan situation. Annual meeting of the company will be held about the end of August, at which time it is stated some plan to take care of this situation will be advanced.

Annual report of the company for the last year will show an increase in sales of approximately $100,000, and present a picture of generally improved operations, we understand.

Operations of the four western subsidiaries, City Dairy, Winnipeg; Purity Dairy Products, Saskatoon; Edmonton City Dairy, Edmonton and Purity Dairy, Regina, finished slightly ahead of the previous year, despite adverse conditions in Saskatchewan. This result was achieved by a slight reduction in total expenses by an increase in sales of approximately $200,000.

The other subsidiary, Canada Dairies, Toronto, suffered from the effect of labor discord during the year, with a subsequent decline in sales of $100,000 over the previous year, and greatly increased expense.

On July 1, Canada Dairies defaulted on its first mortgage bond interest, and it is considered likely that some proposal will be placed before the bondholders and shareholders soon to arrive at a settlement.

Imperial Tobacco

We would like to have your comments upon the common stock of Imperial Tobacco Co. of Canada as an investment.

Imperial Tobacco Co. of Canada's common stock is regarded as a first-rate investment issue. The company is highly regarded. It controls between 70% and 90% of the total Canadian tobacco trade. Over a period of many years it has established a very strong financial position and earning power has been developed to a point where the company has been able to pay dividends without interruption, even during the depression years.

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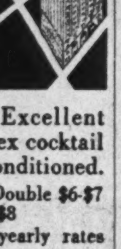

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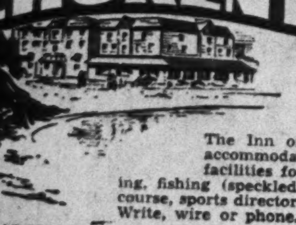

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New England Lines of C.P. Drop Back

Maine and Vermont Lines Earnings Off for First Half of Year

From Our Own Correspondent

MONTREAL. — Canadian Pacific Lines in Maine and Vermont operating revenues on a lower basis than a year ago.

For the first half of 1938 the C.P.R. lines in Maine had a total operating revenue of $1,419,112. This shows a small drop from that reported in 1937. The net operating revenue at $55,196 compares with $128,034 a year ago.

Returns for the C.P.R. lines in Vermont are not as good as those in Maine. Operating revenue at $391,635 compares with $605,474 in the first half of 1937. There was a small decrease in operating expenses, but there was a net operating deficit for the last six months of $414,670. This compares with a deficit of $240,811 in the previous year.

Margin is Smaller

Comparative returns for the two lines follow:

C. P. Lines in Maine
6 Months Ended June 30

	1938 $	1937 $
Freight revenue	1,263,809	1,284,900
Passenger revenue ...	80,647	83,959
Total oper. revenue ..	1,419,112	1,443,506
Oper. expenses	1,151,779	1,113,986
Net oper. revenue ...	55,196	128,034

C. P. Lines in Vermont
6 Months Ended June 30

	1938 $	1937 $
Freight revenue	280,867	484,442
Passenger revenue ...	49,384	51,701
Total oper. revenue ..	391,635	605,474
Oper. expenses	649,984	682,886
Net oper. revenue	*414,670	*240,811

*Deficit.

Acadia Apartments Will Pay Coupon No. 21

From Our Own Correspondent

MONTREAL.—Acadia Apartments Ltd. is notifying holders of the 6½% first mortgage bonds that coupon No. 21, originally falling due March 1, 1935, will be paid on and after September 1, 1938.

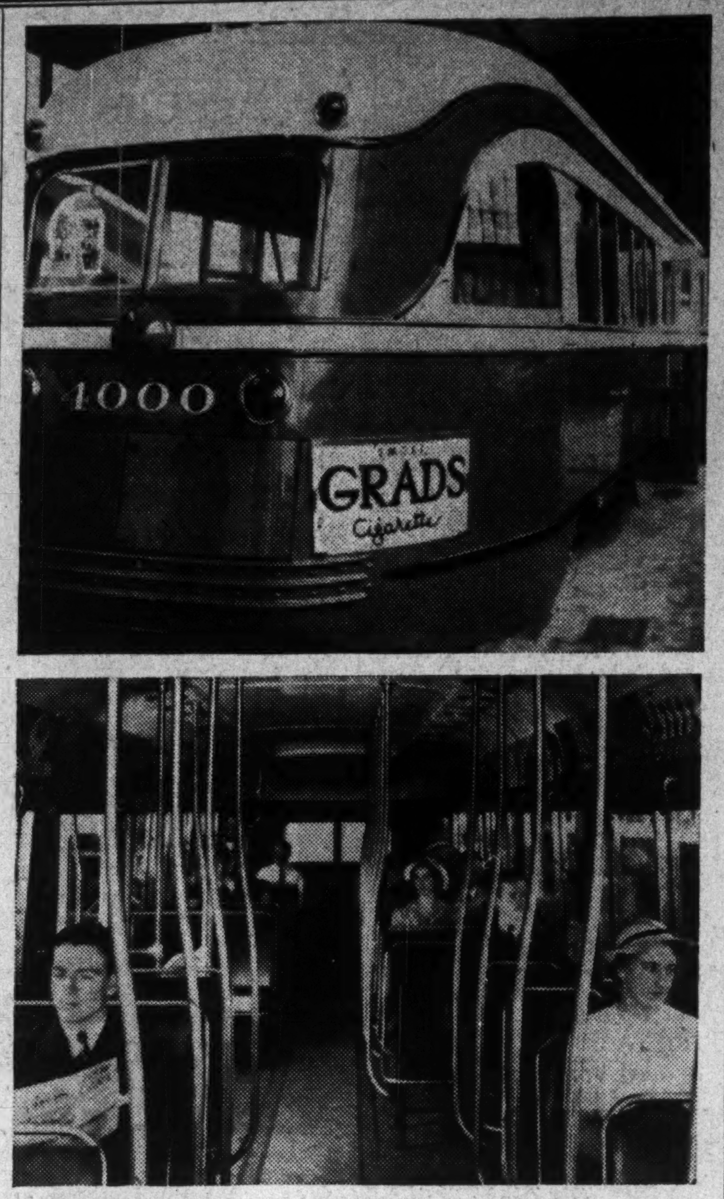
On September 1, 1937, the company paid interest coupon No. 20 which became due on December 1, 1934, on the 6½% bonds. No interest on arrears of interest was provided, as also is the case in the current declaration.

Inter-City West. Bakeries Offer Remains Unchanged

From Our Own Correspondent

MONTREAL. — George Weston Ltd. does not plan any change in its offer for assets of Inter-City Western Bakeries Ltd. So far as the company is concerned the offer is submitted to bondholders of Inter-City Western and the July 29 meeting remains unchanged.

The meeting was adjourned until Aug. 30 when certain bondholders wished more time to consider the offer.



STREAMLINED STREET CAR

The first two of 140 new street cars ordered by the Toronto Transportation Commission were delivered in Toronto this week by Canadian Car & Foundry Co. Of a type developed by the American Transit Association, through several years of research and experiment costing upward of $1 million, the cars are ultra modern in appearance, passenger facilities and operating equipment. Above photos show the striking streamlined effect of a rear view of the cars, and a glimpse of the interior with upright hand rails for standees.

Street Car Delivery

Canadian Car & Foundry Co. Ships First of 140 New Units to Toronto

Deliveries have begun by the Canadian Car & Foundry Co. of the 140 new street cars, estimated to cost $3 millions, ordered by the Toronto Transportation Commission last April. The first two cars to be completed were delivered in Toronto this week, and are being placed on display at the Canadian National Exhibition, opening Friday.

From now on, deliveries are expected to average about 15 cars a week until completion of the order. Payments on account for the order as a whole are understood to have been made during progress of manufacture, and are being completed in respect of each batch of cars as delivery is made. This means that at least half of the order will have been completed, and well over half of the total cost will have been paid in, by the time that Canadian Car & Foundry's fiscal year ends on Sept. 30.

Earnings Helped

Much of the payment on account has gone, and some of the future payments will go, for fully fabricated equipment and materials which had to be purchased from other concerns by Canadian Car in carrying out the order. However, commencement of deliveries well within schedule and receipt of such a substantial portion of total cost by Sept. 30, should have a beneficial effect on company gross earnings for the current fiscal year.

Total volume of orders on which delivery and payment are to be completed in the present fiscal year is reported to be around $20 millions. This includes a carryover of $4-$5 millions from last year, as well as revenue from the Toronto street car order, a somewhat reduced volume of railway orders, and the $2 millions aircraft order for Turkey, by now nearing completion.

The new street cars, of an ultramodern type specially developed by the President's Conference Committee of the American Transit Association, are being paid for by the Toronto Transportation Commission without any special financing or issue of additional bonds. Funds are being drawn from the depreciation and replacement reserves of the Commission.

Faster Cars

Equipped as the "pay-enter" type of car requiring only one operator as combined conductor and motorman, the new cars possess marked advantages over the old-type cars they are to replace. They have streamlined contours, air-conditioning, much improved passenger-comfort facilities, and operating equipment permitting quieter, faster handling on city streets.

Their accelerating speed from a standing stop is 60% faster than that of the latest of the three types of cars now in operation in Toronto. Average speed in traffic of the new cars is expected to be 20 to 50% greater than that possible with existing equipment, depending on the routes and traffic conditions where they are to be operated.

Length of the new cars is only 46 feet, compared with 51 feet and 47 feet for the larger types of cars now in operation, but comfortable gross capacity is 129, compared with 120 for the existing cars. Seating capacity of 54 is slightly under that of the present operating units (60 and 55).

Noise Eliminated

Liberal use of rubber for mountings of the trolley pole, car body and wheel trucks, and in the wheels themselves, reduces noise to a minimum. Other features include light weight, foot control of accelerator and "cushion stop" brakes, rubber cushion seats, diffused lighting, automobile-type window controls, and thermostatically controlled electric heating.

Present rolling stock of the T. T. C. is 878 cars, of which 279 are of the old wooden-body type in use when the T. T. C. began to function in 1921. Many of these wooden units will be withdrawn from service as the new cars are put into operation.

Materials and equipment for the cars were bought as far as possible in Canada, and special truck and body units that could not economically be produced in Canada were imported under a duty-free ruling specially arranged with government authorities. In addition to Canadian Car & Foundry Co., other firms that contributed to the construction of the new vehicles included:

Canadian Westinghouse Co., motors and air brakes; Ottawa Car Manufacturing Co., metal seat frames, stanchions, rails; Dunlop Tire & Rubber Co., rubber seat cushions; Robert Mitchell Co., window sash; Railway Power & Engineering Corp., lamp fixtures, door mechanism, trolley catcher; B. F. Goodrich Rubber Co., Kitchener, rubber; Dominion Oilcloth Co., Montreal, floor covering.

Dom. Electric Power Profits Are Maintained

From Our Own Correspondent

MONTREAL.—Dominion Electric Power reports gross and net operating income for the first half of 1938 on approximately the same basis as a year ago. Net income, before income tax, was lower, due to an increase in the depreciation reserve.

During 1937 the company had a gross revenue of $421,387 and net profit before depreciation and income tax of $192,361. Reserve for depreciation amounted to $89,084, leaving net at $103,277.

At the end of last December, net working capital position of the company amounted to $130,933. At the end of June, 1938, the position showed little change.

MacKinnon Steel Corp. Pays on Preferred Arrears

From Our Own Correspondent

MONTREAL.—MacKinnon Steel Corp. has declared a dividend of 1¾% on the 7% cumulative sinking fund preferred stock, payable December 15 to shareholders of record August 31.

This payment is on account of arrears which amount to $32.37½ a share after taking the above dividend into account.

S.C. Power Net On Lower Scale

Surplus After Dividends Off Slightly from Year Ago

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co., interim financial statements show a falling off in net profits, the July returns indicating the common dividend barely covered. This may be no more than a seasonal trend, but the showing made is not quite as good as at this time last year.

Gross revenue so far has held up, but the poor showing is due to an increase in operating expenses, which has offset lower interest charges. The surplus after all charges in July, 1938, was $117, as against $1,806 in the same month a year ago.

Gain For 10 Months

Cumulative returns for the 10 months ended July last show a fair increase in gross income. While charges showed an advance, there was a surplus after common dividends of $43,494. This compares with $25,450 for the like period the year before.

Comparative figures for July and the 10 months ended July, 1938, and 1937 follow:

July

	1938 $	1937 $
Gross income	193,514	192,359
Oper. expenses	84,940	81,232
Net revenue	108,574	111,127
Less: Interest, deprec., amort., dividends ..	108,457	109,321
Surplus	117	1,806

10 Months Ended July

	1938 $	1937 $
Gross income	1,961,147	1,914,188
Oper. expenses	822,777	795,685
Net revenues	1,138,370	1,118,503
Less: Interest, deprec., amort., dividends ..	1,094,876	1,093,053
Surplus	43,494	25,450

Soo Line Deficit Greater to Date

Net Returns to July Down $1,955,000 from Last Year

From Our Own Correspondent

MONTREAL. — Minneapolis, St. Paul and Sault Ste. Marie Railways, controlling interest in which is held by the Canadian Pacific Railway, reports a deficit for the first half of the year of $1,154,687. This contrasts with a profit of $801,765 for the like period in 1937.

Total operating revenue for the past period was $10,775,465. This compares with $12,816,436, the year before. While there was a drip in operating expenses, the saving was not sufficient to offset the lowering of the gross income.

Comparative figures for the first half of 1938 and 1937 follow:

6 Months Ended June 30

	1938 $	1937 $
Freight revenue	9,311,531	11,217,811
Passenger revenue ...	492,179	578,375
Total oper. revenue ..	10,775,963	12,816,436
Total oper. expense ..	10,155,257	10,814,500
Net oper. income	*1,154,687	801,765

*Deficit.

Grand Trunk Line Earnings Reverse

C. N.'s American Line Shows Sharp Downswing in Profits

From Our Own Correspondent

MONTREAL. — Grand Trunk Western Railway, subsidiary of Canadian National Railways, reports a change of nearly $3 millions in its net operating income position in the first half of 1938 as compared with the same period in 1937.

Total operating revenue for the first half of this year was $8,225,452, or nearly $5 millions less than a year ago. Practically all the decline was accounted for by a falling off in freight revenue.

Profit Turns to Loss

Total operating expenses in the last six months were reduced by around $1.3 million. Despite the saving there was a net operating deficit of $1,169,922 as against a profit of $1,822,005 last year.

Comparative returns for Grand Trunk Western follow:

6 Months Ended June 30

	1938 $	1937 $
Freight revenue	7,150,159	11,589,918
Passenger revenue ..	449,514	473,607
Total oper. revenue ..	8,225,452	13,007,628
Total oper. expenses	8,239,038	9,506,316
Net oper. income	*1,169,922	1,822,005

*Deficit.

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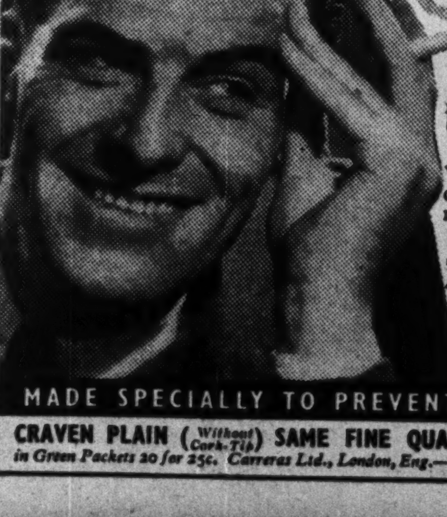

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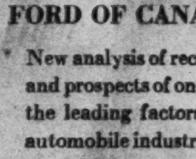

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Banking

Earning Prospects Of Banks Improved

Larger Wheat Crop and Increased Activity in Industry Point to Heavier Demand for Bank Credit

Watch the bank stocks.

If Canadian business is on the eve of a period of substantial prosperity, as many people think, the Canadian chartered banks should see better business than they have for some years. This will come from a better demand for commercial loans which are their big source of revenue. Any expansion in trade and industry must be accompanied by increased borrowing and this will mean much to the banks.

For some years now these institutions have operated under two main handicaps. One has been the smaller demand for loans and the other low interest rates. The result has been decreased profits. Dividends for several years have been uniformly lower than they were previous to 1930.

Operating on a sound basis under careful management the banks have maintained their strong position. With much of their stock held by private investors, any prospect of improved earnings is of much public interest.

Stock Widely Held

A few years ago an estimate was made that the 1,445,000 shares of the chartered banks were owned by nearly 50,000 different investors. The average holding was shown to be less than 30 shares.

During the depression years there was a slackening in the demand for bank credit. Demand for commercial loans fell from $1,320,000,000 in June, 1929, to $657,000,000 in June, 1936, and in the next month, July, 1936, to $649,000,000, the lowest in years. In June, 1937, they had recovered to $728,000,000 and in June, 1938, were $785,000,000.

Loans and Deposits

Record of loans and deposits in Canada as at June 30 for the last 10 years and the accepted normal year of 1926:

($ 000,000)

Month of June	Curr. Dep. in Can.	Sav. Dep. in Can.	Curr. Loans in Can.	Call Loans in Can.	F. P. Credit Index
1926	532.5	1,328	932	134.5	57.1
1928	697.3	1,486	1,185	268.0	66.0
1929	670.8	1,466	1,320	261.0	74.0
1930	623.8	1,410	1,307	239.4	76.0
1931	600.8	1,450	1,127	181.6	63.8
1932	489.0	1,373	1,037	109.9	61.6
1933	535.1	1,387	900	101.5	52.1
1934	485.8	1,365	862	98.8	51.7
1935	545.4	1,426	831	85.2	46.4
1936	621.7	1,504	657	90.9	35.2
1937	713.1	1,570	728	116.1	37.0
1938	689.9	1,620	785	89.3	37.0

Interest rates, too, as noted above, had fallen so that the banks were affected not only by a smaller volume of loans but by lower interest return.

Savings Deposits Increase

A reduction in the rate of interest paid on deposits only partly overcame the drop in interest on loans, especially as both savings and demand deposits have shown a tendency to increase.

It is also true that the banks were able to invest heavily in government bonds, but here the low interest rate was also effective and the return on short-term loans of the Dominion Government has fallen to .519%. It is true that this is a little higher than that prevailing in June which was a record low at .465% but cannot be regarded as satisfactory from a profit standpoint.

The opening of the central bank also took away some of the sources of income which the chartered banks formerly held. Much government business which they formerly handled went to the government institution.

A number of unprofitable branches were closed in a move to reduce overhead which, however, still remains high. Another effort made to cut down the cost of operation was the institution of a charge for operating a checking account.

With the passing of midsummer and the assurance of a considerably better crop, the picture is improving. There is a more cheerful sentiment. Production is expanding both in Canada and the United States.

Favorable Factors

Among the factors tending toward better demand for credit are:

A larger wheat crop of 300 to 350 million bushels against 180 millions last year.

Prospects for better business in the pulp and paper industry.

Heavier demand for goods at retail stores with consequent increase in inventories.

Prospects of expansion in construction and general industry.

It is true the horizon is not altogether clear. European affairs remain unsettled. The political outlook in the United States is not altogether satisfactory. The crop in large areas of the West has still some hazards to run.

The fact that higher interest rates do not seem likely for some time is not the handicap that it might be. Increased demand for loans at present interest rates would, in the opinion of a number of bankers, mean a substantial upturn in profits.

This does not mean that the earnings of the banks for 1938 will be higher than in 1937. They may be, but it is hardly likely. It does mean though that the earnings for the last quarter of 1938 have a good chance of being well above those for the corresponding quarter of last year.

Obstacle Is Higher Interest Rate

The biggest obstacle to any improvement in interest rates, however, is seen in the amount of money in the United States seeking investment. This amount is so large it is estimated that it will take an enormous expansion in industry to absorb it.

But, as indicated above, bankers are not worrying about that. If they get a large enough volume of money out on loan at prevailing rates, say 4½ to 5½%, they will make money as long as the spread between the rates which they pay for deposits and those which they obtain for commercial loans is maintained.

The Difference in Revenue

What such expansion will mean to the banks may be estimated by the remark of one banker: "Take $1 million now in short term treasury notes. It brings in a revenue of say $5,190. Put the same amount of money out to work on a loan at even 4½% and it means revenue at the rate of $45,000 annually. Quite a difference."

Increased earnings by the banks if, as and when they occur probably will be first applied to reserves. Canadian bankers are notoriously conservative and almost make a fetish of reserves.

After that, if earnings are maintained at satisfactory levels, higher dividends may be looked for. In the accompanying table it will be seen that dividends of most banks are well below the rate prevailing some 10 years ago. But whether the dividends are increased or not, every dollar that is added to the reserves means added equity behind the stock, which is always a highly favorable factor.

Bank Stock a Preferred Investment

Bank stocks as a group stand high in the Canadian investment field. The double liability clause which makes shareholders liable not only for their own shares but for an amount equal to the par value of their shares is being reduced as the note-issuing privilege is cancelled.

Ford S. Kumpf, president of the Dominion Life Assurance Co., Waterloo, Ont., photographed as he landed at Quebec on the French liner Champlain.

In the attached table will be found the price range of the stocks of the nine banks which have their shares in the hands of the public, with dividend rates paid over the last 10 years and 1926.

Banque Canadienne Nationale

Capital subs. and paid-up, $7,000,000; reserve, $5,000,000; par value of shares, $100; present price, $161½; dividend rate, 8%; yield, 4.9%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	164	160	8
1937	161½	143	8
1936	143	133	8
1935	135	126	8
1934	145	124	9
1933	155	127	10
1932	159¾	127	10
1931	175½	162½	10
1930	175	169¾	10
1929	189	170	10
1928	220	184	10
1926	170	157	10

Bank of Montreal

Capital subs. and paid up, $36,000,000; reserve, $39,000,000.

Par value of shares, $100; present price, $214; dividend rate, 8%; yield, 3.7%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	223	195	8
1937	241	190	8
1936	221	184	8
1935	204	152	8
1934	205	169	8
1933	221	150	8½
1932	225	150	11
1931	303	232	12
1930	325	275	12+2
1929	425	290	12+2
1928	420	334	12+2
1926	275	252	12+2

Bank of Nova Scotia

Capital subs. and paid-up, $12,000,000; reserve, $24,000,000.

Par value of shares, $100; present price, 306⅝; dividend rate, 12%; yield, 3.9%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	308	290	12
1937	340	286	12
1936	317	271	12
1935	305	247	12
1934	281	247	12
1933	285	228	12½
1932	275	238	15
1931	326	284	16
1930	355	314	16
1929	405	370	16
1928	410	374	16
1926	300	281	16

Bank of Toronto

Capital subs and paid-up, $6,000,000; reserve, $9,000,000.

Par value of shares, $100; present price, $237; dividend rate, 10%; yield, 4.2%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	249	227	10
1937	273	234	10
1936	260	220	10
1935	235	183	10
1934	221⅝	161½	10
1933	215	151	10
1932	193	125	11
1931	238	213	12
1930	262	218	12+1
1929	282	240	12+1
1928	340	270	12+1
1926	232½	213	12

Canadian Bank of Commerce

Capital subs. and paid-up, $30,000,000; reserve, $20,000,000.

Par value of shares, $100; present price, $175½; dividend rate, 8%; yield, 4.5%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	178	157	8
1937	211	149	8
1936	191	148	8
1935	169½	120	8
1934	167	127	8
1933	176	119	8½
1932	191	123	11
1931	232	196	12
1930	275	222	12+1
1929	360	240	12+1
1928	330	277	12+1
1926	228¾	214	12+1

Dominion Bank

Capital subs. and paid-up, $7,000,000; reserve, $7,000,000.

Par value of shares, $100; present price, $209; dividend rate, 10%; yield, 4.7%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	212	189	10
1937	250	194	10
1936	235	190	10
1935	201	141	10
1934	202	133	10
1933	175	124	10
1932	194	125	11
1931	224	204	12
1930	243	216	12+1
1929	280	225	12+1
1928	300	250	12+1
1926	219	207	12+1

Imperial Bank

Capital subs. and paid-up, $7,000,000, reserve, $8,000,000.

Par value of shares, $100; present price, $210; dividend rate 10%; yield, 4.7%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	214	190	10
1937	251½	195	10
1936	240	197¼	10
1935	208¼	157	10
1934	200½	141	10
1933	185	123	10
1932	193	130	11½
1931	225	201	12
1930	245	216	12+1
1929	277	227	12+1
1928	282	245	12+1
1926	215⅛	200	12+1

Provincial Bank

Capital subs. and paid-up, $4,000,000; reserve, $1,000,000

Par value of shares, $100; dividend rate, 6%.

Stock not listed. Unofficially quoted at $113 to $115. Yield 5%.

Royal Bank

Capital subs. and paid-up, $35,000,000; reserve, $20,000,000.

Par value of shares, $100; present price, $189; dividend rate, 8%; yield, 4.2%.

Price Range of Stock:

	High	Low	*Div. Rate
1938	191¾	170	8
1937	227	164½	8
1936	204	164	8
1935	173½	133½	8
1934	170	129½	8
1933	183	123	8½
1932	171	120	11
1931	291	231	12
1930	315	272	12+2
1929	397	285	12+2
1928	435	332	12+2
1926	270	248½	12+2

*For the fiscal year.

Insurance

U.S. Insurance Investigation

S. E. C. Probe to Have Broad Scope—Canadian Firms Watch Developments

When the United States Securities and Exchange Commission which was authorized last spring to investigate insurance gets its enquiry well under way it will bring under the limelight one of the biggest branches of business in the whole country.

Authority for the enquiry was given by Congress and a sum of $500,000 appropriated to finance it.

The enquiry grew partly out of agitation that the large insurance companies occupied a preferred place as buyers of stocks and bonds over other investors. But other matters, such as their alleged control of industry through financial power also came under discussion.

Some idea of the size of the business which is to be investigated may be had from the fact that life insurance in force in the United States amounts to more than $117 billions, while its assets were estimated at $24,750 millions at the end of 1936. The number of policyholders is placed at 64,000,000. In Canada there are $6,542 millions of insurance in force, $2,000 millions assets and 3.5 million policyholders.

Hence it is quite evident that anything affecting life insurance is of interest to a large section of the population in both countries.

Just what the investigation will amount to is the question that people who have been following developments are asking.

Roosevelt's Authority

When authority was given to the SEC to investigate life insurance last spring, President Roosevelt said in connection with the proposal: "The tremendous investment funds controlled by our great insurance companies have a certain kinship to investment trusts in that these companies invest as trustees the savings of millions of our people. The SEC should be authorized to make an investigation of the facts relating to these investments with particular relation to their use as an instrument of economic power."

A Whaley Eaton Washington letter recently said that when the committee of investigation gets under way charges will be made (1) that at least one insurance company persuaded certain banks not to handle insured housing mortgages, and kept out of the field itself, (2) that insurance companies connive with industrial executives to get the cream of investments, (3) that they take too large a part of the national income and do not return it rapidly enough or properly into the economy (4) that premiums and insurance charges for loans on policies are too high.

Seek Data By Questionnaire

It is stated that the first data on which the investigators will base their work will be obtained by questionnaires.

Information sought may be of the following nature:

Details of incorporation, organization and direction of the companies from inception down to the present.

Details of loans and advances made to all persons connected with the company or to organization with which these people have connection, or to brokerage concerns doing business with the company.

Who directs the financial policy of the company, and how are they chosen?

What are the duties of officers and directors of the company and how are they chosen?

Details regarding the sale to or purchase from any individuals or organizations connected with the company of any property or securities.

Information as to who holds the control of the company.

To what extent do companies control the policies of firms of which they buy the securities?

To what extent do state laws regulating the investment of life insurance funds affect the financial structure of United States business?

Would a larger investment in equities and less in debt obligations be advantageous to United States business?

What are the connections between large insurance companies and large investment dealer organizations?

How does the growing practice among insurance companies of buying securities directly from the issuing company affect the investment markets and the investment dealers?

Canadians Not Worried

Canadian companies operating in the United States are not worrying over the investigation. They feel first that they have nothing to hide and second that they do not loom very large beside the great United States companies at which the enquiry is directed.

The possibility of investigating the advantages of larger investment in equities and less in debt obligations is seen as a factor which may bring the Sun Life of Canada into the picture in consequence of its relatively heavy investments in equities. On the other hand, it is pointed out that the proportion of equity investments of the companies is a matter of state control as much as of company policy.

Bank of Canada Weekly Statement

The greatest change in the statement of the Bank of Canada for the week ending August 17 as compared with the previous week was the increase of $7,027,000 in the deposits by the chartered banks. This increase and one of $4,249,000 in all other liabilities were evidently due in part at least to the change in the capital structure of the Central Bank. This change meant the redemption and cancellation of the $5,000,000 stock formerly in the hands of the public and the cancellation of $100,000 of the $5,100,000 held by the Government to give it control under the former set-up.

Direct reflection of the change was shown in the item paid-up capital which now stands at $5,000,000 instead of $10,100,000 as formerly.

Dominion Government deposits were down $4,837,000 owing partly to the same cause. Holdings of short term securities were up $2,286,000

Principal items for the week ending August 17 and the week preceding are shown below.

Balance Sheet

	Aug. 17 1938 $	Aug. 10 1938 $
Liabilities		
Capital paid-up	5,000,000	10,100,000
Notes in circ.	159,639,087	159,108,290
Rest fund	1,348,414	1,348,414
Depos.: Dominion	10,012,147	14,848,661
Banks	202,474,996	195,447,853
Other	1,519,482	1,705,899
Total deposits	214,006,625	212,002,413
All other liabs.	7,100,357	2,851,216
Total liabs.	387,094,483	385,408,243
Assets		
Reserve: Gold	180,639,704	180,583,959
Res. in sterling and U. S.	24,356,712	24,872,311
Other curr.	912	1,046
Total reserve	204,997,328	205,457,316
Subsidiary coin	334,770	322,348
Investments:		
Dom. govt. short	123,641,876	121,356,234
Other Dom. govt.	52,736,988	53,056,384
Total invest.	176,378,864	174,412,618
Premises	1,681,056	1,669,497
All other assets	3,702,485	3,346,464
	387,094,483	385,408,243
Reserve ratio	54.86%	55.36%

Weekly Bank Clearings

	Aug. 18 1938 $	Change year ago %	Aug. 11 1938 $
Halifax	2,307,694	— 2.8	2,433,023
Saint John	1,784,723	— 5.9	1,821,613
Moncton	700,961	— 8.1	637,255
Sherbrooke	641,607	+13.0	623,267
Quebec	4,672,523	— 2.9	4,832,902
Montreal	89,957,771	—16.5	89,849,950
Ottawa	13,821,089	— 4.3	20,488,021
Peterborough	537,072	—14.8	594,685
Toronto	98,526,930	—12.3	103,842,021
Hamilton	4,870,212	— 9.5	4,846,701
Brantford	781,949	—11.6	824,159
London	2,652,479	— 5.3	2,168,191
Chatham	470,288	—12.7	498,170
Kingston	522,202	—2.9	582,441
Kitchener	970,227	—5.5	977,333
Windsor	2,353,520	—21.7	2,138,064
Sarnia	407,950	—7.8	484,353
Sudbury	1,007,394	+ 4.9	1,182,505
Fort William	761,775	+ 4.8	710,454
Winnipeg	23,733,713	—22.2	27,524,000
Brandon	346,353	—14.7	311,034
Regina	2,898,432	— 1.5	2,946,891
Moose Jaw	540,454	—19.2	458,824
Saskatoon	1,158,100	— 2.5	1,167,250
Prince Albert	296,912	—21.8	290,885
Lethbridge	458,171	+0.1	467,388
Edmonton	3,790,131	— 3.1	3,456,290
Calgary	4,411,629	— 5.1	3,990,686
Medicine Hat	179,729	—23.2	187,795
N. W'minster	612,856	—12.7	704,742
Vancouver	16,135,828	— 8.2	15,577,528
Victoria	1,601,449	— 7.2	1,634,069

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

V. J. COX to be acting supervisor of Cuban branches.

H. E. CURRAN to be assistant manager at Havana, Cuba.

A. A. ACHESON to be accountant at Havana, Cuba.

E. G. BIRD to be manager at St. Ann's Bay, Ja.

C. F. HIBBARD to be manager at Minto, N.B.

Insurance Notes

J. C. Conrad Perrault, Mayor of Joliette, P.Q., and a well-known insurance man, died recently. Mayor Perrault was regional chairman of the Canadian Federation of Mayors and Municipalities and was vice-president of the Insurance Brokers Association of Quebec. He was also a member of the Presidents' Club of the Great West Life Assurance Co.

* * *

Announcement is made by the Manufacturers Life Insurance Company that Carl H. Brubaker has been appointed branch manager of the company in Cleveland. Mr. Brubaker was born at Newark, Ohio, and has been with the company some years.

* * *

Stanley G. Reid, Ontario manager of the Employers Liability Assurance Corp., was recently the recipient of a grandfather's clock from his associates. The gift marked completion by Mr. Reid of 35 years service with the corporation and was made by John Fanning, assistant manager for Ontario.

* * *

At the annual meeting of the Association of Canadian Fire Marshals in Ottawa recently, W. J. Scott, K.C., Fire Marshal of Ontario, was elected president. Other officers elected were F. X. Ahearn, Deputy Marshal of Quebec as vice-president and J. E. Ritchie of the Ontario Fire Marshal's office as secretary-treasurer. The association tentatively set Winnipeg as the place of meeting for 1939.

* * *

William E. Findlay, well known in Canadian business circles as manager for Canada of the Springfield group of insurance companies, died recently in Liverpool, England. Mr. Findlay had been in poor health for some time. He was born in Montreal in 1867 the son of Capt. J. A. D. G. Findlay, R.N. Apart from his insurance interests he was prominent in athletic, military and masonic circles. He is survived by two sons, Gordon and Douglas in Montreal. He was a past president of the Canadian Fire Underwriters Association.

* * *

Kenneth Thom, general manager of the Western-British America group of assurance companies recently left Canada for a two months tour of England and Europe.

Insurance Officials Working Together

Dominion Department Co-operates With Provincial Committee

Closer co-operation between the Dominion Department of Insurance and the Provincial Departments seems likely to become a reality.

In the report of the standing committee on Definition and Interpretation of Underwriting Forms of Fire, Marine and Casualty Insurers presented at the conference of Provincial Superintendents of Insurance at Victoria this week it is intimated that conversations have already taken place between the representatives of the Dominion and the provinces.

The committee which had been working to bring about greater uniformity throughout Canada finally convened a meeting to which representatives of the company and a representative of the Dominion department were invited. The result was that a copy of the proposed uniform definitions was forwarded to G. D. Finlayson, the Dominion superintendent, for his comment and criticism. Subsequently a letter was received from the Dominion department enclosing a list of definitions suggested, a number of which were in agreement with those drawn by the committee.

Among those sitting on the committee appears the name of W. H. Gilliland, chief inspector of the Dominion Department.

With the progress that has been made it is hoped that it may be possible to prepare legislation looking to the adoption of uniform definitions in all provinces as well as in the Dominion at an early date.

Aldred Investment Corp. Reports Smaller Revenue

From Our Own Correspondent

MONTREAL.—Aldred Investment Corp. (Canada) reports a net loss after all charges, including interest and taxes, of $282 for the first six months of 1938. This compares with a profit of $1,134 for the same period and on the same basis in 1937.

At the end of last June the balance sheet showed investments of $2,316,355 with a bid for nominal market value of $1,070,864. On March 31, 1938, investments of $2,335,314 had a bid or nominal value of $964,660.

Liquidating value per $100 of debentures was approximately $70.33 on June 30, compared with $62.30 on March 31, and $69 on December 31, 1937.

Asbestos Corp. Declares Extra on Common Stock

From Our Own Correspondent

MONTREAL.—In addition to the regular quarterly dividend of 50 cents a share, directors of Asbestos Corp. have declared an extra dividend of 50 cents, similar to payments which have been made since the initial dividend at this rate was declared on March 31.

Payment of the initial dividend at the end of the first quarter of this year placed the stock on a regular basis of $2 annually plus extras.

The latest declaration is payable September 30 to shareholders of record September 15.

Foreign Exchange

The British pound gave way to the French franc as the star performer on the foreign exchange markets this week. Following Premier Daladier's plea for a longer work week the franc showed considerable strength, rising to 2.74½. Sterling has not shown a great deal of change, fluctuating within a relatively narrow range. President Roosevelt's address at Kingston on Aug. 18 had a good effect on exchange markets generally.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Aug. 22	1.00⅝	1.00[illegible]
Aug. 20	1.00⅝	1.00[illegible]
Aug. 19	1.00[illegible]	1.00⅝
Aug. 18	1.00[illegible]	1.00⅝
Aug. 17	1.00[illegible]	1.00⅝
Aug. 16	1.00[illegible]	1.00⅝
Aug. 15	1.00[illegible]	1.00[illegible]

U. K. Pound	Closing	Last Year
Aug. 22	4.89⅞	4.99⅛
Aug. 20	4.89⅝	4.99
Aug. 19	4.89⅞	4.99⅛
Aug. 18	4.89¾	4.99¼
Aug. 17	4.90⅛	4.99
Aug. 16	4.90¼	4.98½
Aug. 15	4.89⅝	4.98½

Other Currencies, Aug. 22

Australia	3.92¼	Italy	.0528¼
Belgium	.1692⅞	Japan	.2855⅝
Czecho.	.0346¾	Jugoslavia	.0234⅝
Denmark	.2187⅝	N. Zealand	3.95¼
France	.0274⅜	Norway	.2462¾
Germany	.4023	S. Africa	4.88⅞
Greece	.0090	Sweden	.2526½
Holland	.5491½	Switzerland	.2301
Hungary	.1988½	Hong Kong	.3062½
India	.3654⅝		

Winnipeg, Man.—A money by-law for the rehabilitation of older schools has been scaled down from $1 million to $500,000 and the board's solicitor instructed to prepare the by-law for submission to a public vote at the November elections.

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Reserve Liability of Proprietors 8,780,000
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Week in Mining

Wide Public Jitters Still Retard Market

Mass Timidity Blamed for Lethargy—Most Observers Believe Recession Chart Readers Wanted Is Past — Gold Rush Flares Readily

The daily jitters are still with us.

That the only thing the matter with the stock market is mass timidity, is the apparently general feeling.

The past week or so, it has been as drowsy as the weather, only occasionally giving a kick to show that it's alive. Despite fairly broad agreement that the markets both here and in New York have already had the recession that the chart readers say was necessary, there is still only very moderate hope that the market is on the take-off for a run.

Technically, the mines market shows every evidence of being in good shape. It is very thin, both up and down, with an unusually small floating supply of stock.

* * * *

"Until the public gets a chance to have its breakfast for a week or two without reading scare headlines about war threatening some part of the world, I'm afraid it will just continue to sit back, and not give a hoot," one observer said.

* * * *

Europeans are still obviously afraid of everything and everybody. The gold rush flares up anew on the slightest scrap of news and professionals in that market are acting as if they expect the pound to go below $4.86.

Startling indication of how serious some big European money considers the situation is the fact that a lot of gold bought for hoarding is being shipped off to Scandinavia. There, it is felt, there is much less chance of the Government "sequestering" or doing anything else unpleasant to private gold hoards should a real crisis develop than there is in Britain.

The gloom hunters have advanced the day for the new European Armageddon to September. Best opinion now is that they are going to be disappointed. Perhaps with September out of the way, investors will have a better chance to cool off, literally and metaphorically, and think about other things.

Tax Goat

Joseph Errington says he "isn't much of a talker," but he tossed off a few ideas on taxation when we were talking to him the other day that seem well worth while passing on.

He has a strong suspicion that the mining industry is going to be increasingly the taxation goat for a long time to come. The industry appears rich. When it makes a strike everybody hears about it, and they don't hear about the years of work lost and the hundreds of thousands of dollars that have vanished into thin air on properties that flopped.

* * *

But it isn't just routine taxes that Mr. Errington thinks about.

He said: "Should the price of gold rise, and it probably will two or three years hence as a result of heavy spending to win wars in Europe and to win elections in the United States, the Canadian Government should take no part of the increased price. The Canadian Government will have done nothing to increase that price and therefore are no more entitled to all or part of it than to any increase in the world price for wheat. These are the main points because they bear on foreign investment in our mining industry as well as upon Canadian investment in exploration and development of mines. Moreover, the cost of mining gold has risen steadily since the price advanced from $20.67 per ounce. In many mines the present costs are the old millheads. The advantage has gone to the workmen in the mines and the supply industry."

* * *

Bear Path

B.E.A.R. had a general meeting in Toronto this week, elected two new directors, and the new management explained to shareholders where the outfit now stood, what the prospects were and what plants it had in mind.

For shareholders, the important thing was that the new management gave all indications of strong leadership and that mine-making is its aim.

But for Canada, B.E.A.R. meeting had a significance all its own.

It opens up a new and very important path for the flow of American capital into Canadian enterprise. Thomas F. Lee, president, has spent a lifetime in New York financial circles. One of the new directors, Edward Jaegar, has long been connected with one of the outstanding New York financial houses and influences very important investment interests. John Rowland of Springfield, Ohio, is a bank executive, at the source of another important body of wealth. Consulting geologist is a professor at Princeton University and highly regarded in U. S. financial circles.

* * *

Square Deal

"The idea of an ordinary shareholder participating in and profiting from mine development is still very new in United States," President Lee told The Financial Post. "Over there, the vast majority still think of mining enterprise as the preserve of a few great families like the Hearsts or the Whitneys, or else as connected with crooked financial deals.

"If American investors could only get a glimpse of the situation as it is here in Canada where the average investor participates and usually gets an honest-to-goodness square deal, there would be a tremendous flood of American wealth into Canadian mine development," Mr. Lee said.

* * *

Asked if his intention was to expand still further the B.E.A.R. enterprise, providing an outlet for still more U. S. wealth in Canada, Mr. Lee said only that he has his plans and his hopes, but that so far getting the B.E.A.R. organization on its feet is his main consideration.

* * *

Rothschilds

The eyes of the financial world for a couple of months now have turned daily to "the bullion market" in London and to the daily gold price which it sets.

Where is that market? Who are the people that set the gold price which is flashed around the world?

The place is a dingy if dignified old building in behind London's famous old Mansion House. The address is St. Swithin's Lane. The name on the door is N. M. Rothschild & Sons, gold refiners.

No one except the Rothschild representatives, another gold refiner and four bullion brokers are ever admitted to that holy of holies, but the Rothschilds have long been handling all the foreign exchange business of the Bank of England, which gives them this daily rite.

* * *

Dark Coats

Every morning, save Sunday and holidays, this austere little group gathers in its dark coats.

The American price for gold is $35. The approximate London rate is struck by dividing 35 by the morning's dollar rate. If the U. S. dollar is $5, the London price becomes £7 or, as they like it better, 140 shillings. Because it costs 23 cents to ship and handle gold, 23 cents is deducted from the $35 for the calculation.

This is only half the procedure. Now enter the bullion brokers, the people who have been making so much of the exchange news of late. Do they want a lot of gold, or are they indifferent? The final price struck shifts up or down from dollar parity, the figure struck as above. The buying and selling orders of all the attending brokers are lumped together and the group then strikes a figure for premium or discount. One morning recently, for instance, when the hoarding demand was renewed, the premium was fixed at a half penny and the "fixing" was 142s 5½d.

* * *

Piling Bricks

This figure, of course, holds only for the business done at the meeting. After its price is struck, there is nothing to prevent ousiders shifting the street price in accord with sales and with their guess of what the next day's "fixed" price may be.

Since the end of July, when Europe got the jitters over another war threat, there has been some £40 millions of so-called "funk money" gone into gold through this market.

Incidentally, all these deals are by no means just paper transactions. It's nothing at all for the gold buyer to take delivery—gold bricks brought to his office in a van —not an armored truck — and trundled into his premises like a load of building brick. While most recent gold purchases are believed to have been following the runaway trail to the United States and to its Fort Knox vaults, a lot of the bricks are just being piled up in a safe place — common ordinary hoarding.

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Mercury Mine Soon for B. C.

From Our Own Correspondent

VANCOUVER. — The British Empire's first mercury mine will soon be in operation in the Bridge River country, replacing in some measure the production from the Spanish mines which has been cut off by the civil war.

H. W. Gould, San Francisco authority on mercury mining, visited the property after Dr. Victor Dolmage, John D. Galloway, R. H. Stewart and others reported favorably on the possibilities. R. L. Brown, also of San Francisco, has been supervising installation of a 10-ton rotary furnace.

Money for development of the property, held by Empire Mercury Mines, formerly known as the Manitou Mining Company, and headed by C. P. Riel, has been provided by Nesbitt, Thomson & Co.

Preston Parallel Ore High Grade

Wide Ore Section Cut by Drill Hole 30 at First Level

Rich ore has been cut in a parallel ore zone at the 550-ft. level of Preston East Dome Mines. On going to press the crosscut had been advanced one round into the ore zone, with much samples returning a value of $94.59 per ton for the 4½ or 5 ft. advance into the zone. At this point ore continued strong in the face with visible gold showing.

The crosscut at the fourth level being put out to encounter the upward extension of the high-grade ore, developed at the 550-ft. level, has still about 20 ft. to go to reach its objective.

Surface drilling is believed to have located the upward extension of the ore zone at the first level with a wide ore section showing. Surface drill hole No. 30 returned a one-foot section at 89 ft. in the hole, which ran $117.85 per ton; then an ore section extending for 8 ft. of core came in at a depth of 116 ft. averaging $23.45 per ton for the first 2 ft., $9.10 per ton for the next 3 ft., and $30.80 per ton for the remaining 3 ft.

Regular shipments of high grade ore are being made from the mine each week.

Siscoe Has Earnings of 11.8c in 1st 6 Months

Siscoe Gold Mines net profit for the six months ended June 30, 1938, amounted to $547,451 equal to 11.8 cents per share compared with $643,302 or 13.8 cents per share in the same period of the previous year.

Gross income for the first half was $1,258,727 compared with $1,350,368 last year.

The shaft has reached a depth of 2,300 ft. and is being continued to 2,500 ft. Three new levels have been established. A new ore structure has been indicated along the east shore of the island by drilling.

Income Account
Six Months Ended June 30

	1938	1937
	$	$
Gross income	1,258,727	1,350,368
Less: Oper. exps.	549,842	532,817
Gross earn.	708,885	817,551
Less: Depreciation	74,410	71,415
Taxes	87,024	102,834
Net earn.	547,451	643,302
Earns. per Share and Divd. Record:		
Earned	$0.118	$0.138
Paid	0.10+0.01	0.10+0.01

Week in Oils

Hint New Potentials Better for Investor

Operators Cheered by Lift in Proration — Knode Wants Careful Study to Learn Oil Reserve on Per Foot Basis

From Our Own Correspondent

CALGARY.—This week's lift in allowable production of Turner Valley crude wells to 51% of potential is an encouraging development for the oil industry here.

The 51% allowable is based on the old potentials and not on the result of the tests made by the Petroleum and Natural Gas Conservation Board. What adjustment will be made when the new potentials are announced is not yet clear.

Operators who have clung to the hope that proration would eventually be lifted entirely appear doomed to disappointment. The chairman of the Conservation Board, Mr. Knode, is a firm believer that only under an efficient proration scheme may the maximum ultimate recovery of oil be obtained from a field.

Drawing on his long experience in the Texas field, Mr. Knode estimates that in a prorated field up to 40% of the total oil may be recovered by natural means. In a field where no restrictions are in effect, recovery would more likely range somewhere between 12 and 20%.

Help Financing

Financing of new wells is also more easily carried out if a system of proration is in effect, Mr. Knode believes, since the investor will be more likely to advance money if he knows gas pressure is not being wasted in the meantime.

New spacing regulations will have a similar effect. If experience proves one well will not properly drain a 40-acre plot, the size will be reduced. Intention at present is to make sure wells are far enough apart to begin with. It will be easier to reduce plot size than to increase it.

Reserve is Key

In Mr. Knode's opinion, individual potentials are of comparatively small importance to a field. What is important is the oil reserve per foot of acreage. Contrary to popular opinion, he says a fairly accurate reserve can be determined.

Sufficient data have not yet been compiled to work out such a reserve figure for Turner Valley. When this can be done it will no doubt provide a much better basis for discussing marketing problems.

Surplus

Turner Valley has a tremendous surplus gas production.

This was indicated in a report issued by the provincial department of lands and mines. To meet an available market demand of about 20,000,000 cubic feet of gas daily on an average throughout the year, 107 naphtha wells in the valley field revealed possible production of 383,750,000 cubic feet daily in 1938—a surplus over the market demand of 363,750,000 cubic feet daily.

The report does not take into consideration approximately 60 producers of crude oil in Turner Valley, which are producing surplus gas. A total of 63 naphtha wells, according to the report, showed a total decline in gas pressure in 1938 from 1937 of 7,474 pounds to the square inch—an average drop of 118 pounds to the square inch.

A total of 36 naphtha wells showed increase in gas pressure in 1938, compared with 1937, of 643 pounds to the square inch—an average of 26 pounds to the square inch. The total gas flow from gas wells, with wells operated at two thirds closed pressure was 383,750,000 cubic feet daily in 1938, compared with 354,877,000 in 1937.

The gas or naphtha well with the greatest gas pressure in 1938 was Highwood Sarcee 2 which showed on test a closed-in pressure of 795 pounds to the square inch, compared with 1,130 pounds to the square inch in 1937.

The well with the greatest gas flow, operating at two thirds of closed pressure, in 1938, was Royalite 11, with a production of 18,400,000 cubic feet daily compared with 14,100,000 cubic feet daily in 1937. The closed-in pressure of Royalite 11 was 506 pounds in 1937, and 560 pounds in 1938.

Not all of the 107 naphtha wells listed in the report are on production. A considerable number, it is understood, have been shut down or operate only part of the time. But tests in 1938 revealed they were capable of a daily gas yield of 383,750,000 cubic feet.

According to figures just issued by the provincial department of lands and mines, more than half a million barrels of oil were produced in June.

Large Turner Valley crude wells were producing only 30% of their potential during the first part of the month, and during the second half of June, 37% under proration regulations.

Alberta yield during June was 521,895 barrels of which Turner Valley contributed more than 99%. In June of 1937, Alberta yielded 189,898 barrels.

News Concentrates

Argosy Gold Mines shareholders have approved sale of property to E. M. Thomson for 600,000 shares in new company to be formed. New company is to liquidate debts of Argosy amounting to $185,000 by four monthly payments of $20,000 each with balance of $105,000 met by eight equal monthly installments thereafter. Company agrees to purchase power rights on Woman River for 200,000 shares and 1,900,000 shares are optioned to E. M. Thomson with total payments of $485,000 involved, if all shares are taken up.

* * *

Bagamac Mines is carrying out programme of diamond drilling contracted for earlier this year.

* * *

British Colonial Oils has completed an agreement with Toronto interests for drilling of well on L.S.D. 5, section 32, township 18 in the South Turner Valley. It has not been decided whether present well will be completed or derrick shifted and a new hole started.

* * *

Brock Gold Mines is commencing programme of exploration on property adjoining Upper Canada, with Federal Kirkland Gold Mines providing finances. Surface work on present showings is to be followed by diamond drilling, according to plans.

* * *

Cariboo Gold Quartz July production amounted to $119,735 from 8,417 tons of ore milled, an average recovery of $14.21 per ton.

* * *

Cariboo Hudson shareholders were informed at the annual meeting held recently, a loan of $65,000 had been secured which would be adequate for mill construction together with funds on hand. The loan is repayable over 13 months or less from the operation of the mill; 100,000 shares were issued as consideration for the loan.

* * *

Credo Porcupine, through its resident engineer P. Hamilton, reports last diamond drill cores assayed approximately $15 across 3 ft. and $20 across 3½ ft. Ore body has been cut at 190 ft. depth.

* * *

Gold Belt expected to start milling operations in next few weeks. Machinery deliveries have been on schedule and mine preparations are well advanced.

Granada Gold Mines is unwatering workings at its Rouyn property preparatory to carrying out sampling and geologizing.

* * *

Hedley Amalgamated is investigating placer properties of Eureka Placers Syndicate, located on the west side of the Fraser River, three miles north of Lytton. If tests are satisfactory the properties are to be placed in production.

* * *

Keystone Porcupine shareholders have approved sale of the Little Long Lac claims to Golden Trinity Mines, for 300,000 shares of that company.

* * *

Kootenay Bell is exposing what may be a second mine on its Dixie claim. Open cutting indicates length of 400 ft. in what is believed to be extension of Gold Belt 6100 vein. Good results stated to have been had in preparing east end of No. 6 vein for stoping.

* * *

Lava Cap has declared a dividend of three cents per share, payable Sept. 30 to shareholders of record Sept. 10.

* * *

Little Long Lac Gold Mines has declared a dividend of 10 cents per share payable Sept. 10 to shareholders of record Aug. 31. This is second dividend of 10 cents this year.

* * *

Malartic Lakeshore Mines is working at its property in Malartic twp., Que. Channel samples up to $63 in gold and $4 in silver have been obtained and 4,000 ft. of drilling is reported to have returned satisfactory results.

* * *

Matona Gold Mines has completed first hole of its diamond drilling programme, intersecting two mineralized ore sections. The first section of 43 inches of core returned value of $67.55 per ton and second section of 39 inches returned $5.25 per ton.

* * *

Melba Gold Mines has resumed operations. The 206E drift at second level has been extended 32 ft. with first three rounds returning values of $10.60, $15.60 and $13 across widths of 3 ft.

* * *

Mining Corp., has optioned 10 claims owned by Rocdor Mines in the Siscoe-Lamaque area, south and west of Lamaque Gold Mines.

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Noorduyn Gives Stock Options

Ontario Securities Commission has announced that by agreement dated Aug. 5, 1938, W. R. G. Holt, C. H. Rankin and H. J. Child have taken an option on Noorduyn Aviation Ltd. stock. The Montreal group has agreed to purchase 10,000 shares at $5, payable within 15 days and have an option on a further 80,000 shares at $5 a share, payable at the rate of 25,000 shares within six weeks from the date of agreement and 25,000 shares 30 days later.

Noorduyn Aviation is a new Dominion company (incorporated July, 1938) which took over Noorduyn Aircraft Ltd., a private company manufacturing aircraft at Cartierville, Que. Authorized capital is 200,000 no par value shares of which 53,500 shares are issued.

Lapa Cadillac to Increase Capital

Plan Debt Retirement Cyanide Equipment Installation

Lapa Cadillac Gold Mines is asking shareholders to approve an increase in authorized capital from 3 to 4 million shares at a special meeting on Aug. 31. This increase in capital will allow the retirement of indebtedness of $190,094 owing Sudbury Contact for mill construction, the retirement of other indebtedness amounting to approximately $100,000, and will allow installation of cyanide equipment to raise mill capacity from 250 to more than 300 tons daily with an increase in extraction to 95% from present extraction of only 60% to 70%.

Sudbury Contact is in the picture for the new financing having offered to take up 922,110 new shares at 40 cents per share thus allowing the carrying out of the above programme and the provision of "satisfactory" working capital. The remaining 103,125 unissued shares are to be optioned to Sudbury Contact at 40 cents per share. Of the new shares to be issued, 828,360 will be held in pool.

Denison Denny, former manager, is promoted to president and managing director, replacing the late H. S. Denny.

Dorfman Goes To Zeballos

From Our Own Correspondent

VANCOUVER.—Reports are current that A. B. Trites may sell at least an interest in his Goldfield mine to eastern interests, and the presence at Zeballos this week of Andre Dorfman, president of Anglo-Huronian, Ltd., with M. F. Fairlie, the company's consulting engineer, is regarded as confirmation that a deal is pending.

It is known that engineers for Anglo-Huronian recently made a thorough sampling of the mine.

Anglo-Huronian operates the Vipond property in the Porcupine area of Ontario, adjacent to Hollinger, and has an interest in various other important properties.

Trites Goldfield mine is now installing a 75-ton mill.

Gold Shore Mines filed amended registration with SEC at Washington on Aug 12.

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Lava Cap Net Profit $85,363 in First Half

Production of Lava Cap Gold Mining Corp. for the first half of 1938 amounted to $579,118 from 51,870 tons of ore milled, an average recovery of $11.16 per ton. Net profit amounted to $85,363 after all charges except depletion of $48,698.

Decline in production from the first half of the previous year is attributed to a drop in the grade of ore treated caused by a rock slide in the Banner mine. This has been remedied and steps taken to prevent a recurrence.

Ore reserves as at June 30, 1938, amounted to 123,500 tons of probable ore in the Banner mine of approximately the same grade as mined during the first six months of the year. Probable ore reserves in the Central mine were estimated at 83,700 tons.

Immediate future development comprises the extension of the east crosscut in the Banner mine to the Tip Top vein, a distance of 400 ft., and the development of the 3rd and 4th levels north and south of the shaft. This development is stated to have every indication of yielding ore bodies that will increase production.

As at June 30, 1938, current assets totalled $242,945 including cash of $108,414. Current liabilities were $85,304.

Gurney Gold Mines Reports on Development

Drifting at the 625-ft. level of Gurney Gold Mines continues to extend the vein system and is opening up much better grade, the company reports. Values up to 0.10 oz. gold per ton have been obtained across widths 22 inches and under in a length of over 200 ft. southward from the shaft.

Diamond drilling from the 625-ft. level is stated to be encouraging. The last hole completed cut vein material at a depth of 100 ft. below the 625-ft. level. Assays are not yet available.

Millheads averaged 0.36 oz. gold per ton for the first 15 days of August and recovery was approximately $26,000 with the mill averaging 132 tons daily. The tonnage treated is stated to be gradually improving.

Mufulira Copper Mines Second Quarter Income

An estimated net profit of £197,500 (subject to taxation) is reported by Mufulira Copper Mines for the three months ended June 30, 1938. This brings total estimated net profit for the year ended June 30, 1938, to £968,000 (subject to taxation).

The company's copper output has been reduced to 4,570 tons of fine copper monthly as result of its quota being reduced to 95% of the basic quota under the copper production restriction scheme.

Mufulira operates a producing copper property in Northern Rhodesia and is a subsidiary of Rhodesian Selection Trust.

Sullivan Consolidated has appointed Douglas Parent to succeed I. M. Marshall as mine manager, the latter having resigned due to ill-health.

Gold and Copper Mines in B. C. Under Japanese Development

From Our Own Correspondent

VANCOUVER. — Japanese interests have re-opened the old Tidewater mine on the west coast of Vancouver Island and are handling 150 tons of ore daily. The concentrates will be shipped direct to Japan.

Considerable construction work remains to be done, including completion of the 4,000-foot tramway from the mine to the mill, which is close to the shore. Deep level development will be carried out during the next few months, and it is planned to sink a winze and extend the drifts.

Japanese are also preparing to open up copper deposits on the Queen Charlotte Islands, as indicated by the approval of their certificate for building of a 10-mile railroad to develop properties held by Louise Mining Company, controlled by Japanese.

Japanese are already buying heavily from established copper mines, taking the entire output of Granby Consolidated Mining & Smelting Company at Allenby.

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Minesta Mines, subsidiary of Mineral Estates, has been drilling last few months. A large fold in the formation, as well as heavy sulphide mineralization is stated to be indicated.

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The Mine Tax Conflict—What it Means

By R. A. McEACHERN
Staff Writer, The Financial Post

The bitter controversy between the mining industry and the income tax authorities at Ottawa over section 32b is merely the final flare-up of a long-standing difference of opinion between the authorities and those engaged in financing mining development. The conflict of opinion is over what is "income" within the meaning of the income tax act and what is not.

Out of the controversy is likely to emerge a final ruling as to the proper and equitable way of taxing vendor's shares received by incorporated prospecting and financing companies when a property is turned over to a new company for development.

In the clouds of fireworks of recent weeks the controversy has moved a long way off the base of solid facts. There has been much misrepresentation of the intent and effect of the new section of the income tax act. This was in part due to the fact that C. Fraser Elliott, commissioner of income tax, has been in Europe. Only last week did he return and enable the department to issue a public statement explaining its intentions. Until that statement was issued the indignation of the mining industry grew until an atmosphere was created in which it was difficult to distinguish between sound legal opinion and tendentious propaganda.

Atmosphere Clearing

Now the atmosphere is clearing. The issue is far from finally settled, but at least the terms of the dispute have been narrowed down, and there is an excellent chance of the mining industry winning acceptance for its broad contentions.

For the record, the phraseology of the much disputed section is here set forth once more:

"Where on winding up or otherwise a company distributes any assets to its shareholders without sale or at a sale price substantially below the fair market price, which assets if sold at the market price would create income of the corporation within the meaning of this Act, the Minister shall have power to determine the fair market price of such assets and the company shall be deemed to have sold such assets at the price so determined and thereby to have received income subject to tax and the distributable portion received by a shareholder or member shall be deemed to be a dividend. 'Company' includes associations and the members thereof."

Also for the record the explanatory note attached by the Minister to the amendment when he was piloting it through the House is also repeated:

"A profit is derived from a sale. Without sale, in contemplation of law, there can be no profit. Companies have inventories the market price of which is much higher than the cost price. If the company as a company sold the inventory it would create a corporate profit subject to corporate tax and on distribution by way of dividend or on winding up the profit would be subject to tax in the hands of the recipient individuals. Companies are distributing their inventories particularly when they are in the form of stocks, bonds or other like securities the present value of which is much above their cost, without corporate sale, but rateably in kind among their shareholders, or alternatively by selling to their shareholders at a price below the market price. Thus, they seek to avoid the corporate tax and the individual tax indicated above.

"The amendment is to secure to the revenue the equivalent tax that would be secured if the corporation sold its inventory at market values, thereby converting the value into cash and therefrom declaring a dividend."

Gist of 32b

In brief, the gist of 32b is this: that in the controversy between the Government and the industry over the taxability or otherwise of shares received by mining groups for their claims it weights the scales in favor of the Government's contentions.

In other words, officials may be technically correct in their contention that 32b adds nothing to the definition of taxable income; that it is merely a device to strengthen the Government's hand in stopping illegal evasion of income tax. But the real issue is this: that what the Government has declared to be income is something that a large part of the mining industry does not regard as income at all.

To find out what 32b is all about one has to go back to income tax procedure before 32b was ever thought of.

First let us consider the case of the individual prospector or unincorporated prospecting syndicate.

By common consent, there is no income tax levied on the rewards either of the individual or of the member of such a syndicate. In the first place, few prospectors make a taxable income in any normal year. Only the lucky ones ever make a "killing" and when they do it is almost certain to come in a single lucky break, possibly after years of agonizingly unproductive work. It would obviously be unfair to tax a prospector in one year for the small "fortune" which is really the product of a lifetime of struggle. So the income tax authorities take the common sense view that the prospector's rewards are capital acquired, not in one year, but over a long term of years. A prospector could actually "make a million" and never pay a cent of income tax until the million itself, invested, began to pay him dividends or interest.

Of course, the prospector with a private income or on salary is taxable.

Case of Incorporated Company

Where the trouble starts is in the case of the incorporated prospecting or development company.

That is point No. 1 to be kept in mind. That this is not a fight over taxing the prospector but over taxing incorporated prospecting companies, development or mine financing companies.

Here is a typical mine development set-up. MNO Mine Exploration Company employs a group of prospectors and/or buys claims from prospectors. It acquires claims, pays for preliminary work and finds it has a promising property. MNO decides it prefers to sell these claims rather than wait, assume the risk and difficulties of trying to establish a paying mine.

Purchasers are found. A company is formed, with a 3 million share capital. This new company is to acquire the claims, raise money for mine making. In return for its claims, MNO receives $10,000 cash and 1,000,000 shares of the new company.

The question at once arises: is that $10,000 and are those million shares "income," within the meaning of the Canadian law? If they are, then the income tax department will ask its 15 per cent corporation tax; if they are not, then no tax is payable.

This is no new controversy. It existed long before 32b.

Each Case Judged Separately

Officials claim that they have viewed each case on its merits. In certain cases they have ruled that the shares received were income and taxable. In other cases, they were prepared to consider them merely as capital appreciation and not taxable.

Why the apparent discrimination? It all gets back to the real character of the company and its intents and purposes in regard to properties acquired.

Two Kinds of Companies

The income taxers are forced to differentiate between two kinds of prospecting companies.

The income taxers claim one type of exploration company has the purpose of finding and developing properties and bringing them into production.

The second type of exploration company which the income taxers see is a mine "real estate" company—a company which may have its prospectors, which may do development work, but whose main aim is the buying and selling of mine properties for profit.

It is this second type of company—the trading company—which must pay tax on its shares, because officials say it is not really a mining development, but a trader.

Minister's Interpretation

Revenue Minister Ilsley puts the distinction in this complex, legal form:

"If that which is acquired is, by work, labor and capital, improved with the intention of selling it at a profit, and it is so sold, then the profit would appear to be taxable on the principle of carrying on business with a view to profit on the very thing that is done.

"Or, on the other hand, if that which is acquired is, by work, labor and capital, improved with the intention not of selling it, but of developing it to the point of self-production, out of which production a profit is expected to be made, then, during the course of the development, or after it has come in the production stage, the thing acquired should be sold at a profit, the profit would be a capital gain and not income subject to tax."

Income tax authorities say they have never taxed the shares received by the developing company, but have always taxed the shares received by the trading type of company.

That simple explanation might be satisfactory if there were any simple formula for distinguishing between the two types of companies. In practice, it leads but to misunderstanding and bad feelings to attempt to distinguish between the two.

Claim Distinction Difficult

The mining community in general denies that a just distinction can be made between the development and the trading company. They charge that there is no such clear-cut distinction either in theory or in practice.

Let us see how the thing has worked out. MNO Company gets its million shares. Until those million shares are turned into cash the question of taxation does not enter into the matter at all. But when they are turned into cash, then someone has to decide—and this means that the income tax department has to decide—whether the money is income or capital appreciation within the meaning of the Act. Officials claim that they have ruled one way for certain companies and the other way for other companies—all depending upon the circumstances.

No Court Decision

Actually there have not been many important cases; not enough to establish a set of broad precedents. There has been no appeal to the courts from any ruling of the department in such a matter. The mining industry contends that most of the rulings have gone against the companies and that in practice the principle is being rapidly established that all such shares are taxable as income when they are turned into cash or otherwise given a valuation in the books of the company.

Some mining lawyers have resisted the Government's interpretation and have advised their clients not to accept the Government's claim for income tax. The reason no serious issue arose in the matter was that in many cases where such blocks of stock had acquired a large value, the shares were still held by the companies, had not been turned into cash nor distributed to shareholders and, therefore, had not reached the point of being taxable income at all.

Other mining lawyers have been a little more canny. They have said to their clients—prospecting and development companies—"Don't take a chance on these shares rising to prodigious values and being subject to an enormous income tax when you sell them. Get their value established now on your books when they are still cheap and then if they rise in value there will be no question that that increase is capital appreciation."

Official Valuation

Accordingly the companies have gone to the income tax authorities, reported receipt of the shares and asked the department to put a value on them. As they would at that point be vendors' shares—probably pooled with some security commissioner—in a raw prospect, there has been no difficulty in getting a value of a few cents a share put on them. The tax is paid and for a small sum the company gets insurance against heavy taxation. True, if the shares prove ultimately to be worthless, it has paid income tax it might otherwise have saved, but, on the other hand, it avoids the possibility of paying a big tax on the larger profits, if the shares rise in value.

If all companies had followed this procedure there would never have been any trouble.

But many companies did not take the shares in as income when they received them, deciding to take a chance on winning an ultimate battle with the income tax department.

They said either these shares are income or they are capital. If they are capital—and we think they are—then we should not have to pay a small tax on them as an insurance policy against paying a big tax later.

Seeing the way the income tax procedure was developing, lawyers for the latter companies decided that maybe there was a way to avoid the issue ever coming to a test. They devised the plan whereby the shares were never sold for cash by the company and therefore never turned into income. Under their plan the company would divide the shares pro rata among its shareholders. If the MNO company had 2 million shares of its own stock outstanding and it owned a million shares of the XYZ Mine it would give each MNO shareholder one half share of XYZ stock.

The department immediately claimed that this was an attempt to evade the tax. It ruled that the shares were taxable. It reserved the right to put a value on the shares and tax them both as corporate income and as income when received by the shareholders. It succeeded in enforcing its ruling in certain cases. But no one ever took an appeal to the courts and so the question of law remained decided only to the satisfaction of the department, not at all to the satisfaction of the industry and quite untested in the courts.

Read Authier Case

Finally, a really big case came to the front, the Read Authier case. This is a holding company with its principal assets a 23% interest in Lamaque Gold and a 38% interest in Sigma Mines. At present market values its shares in these two companies have a market value of around $8 millions.

Read Authier proposed to make a distribution of these shares to its own shareholders. The income tax department ruled that if such distribution were made Read Authier would be subject to tax, also the recipients of the distribution on the basis of a fair market price of the shares at the time the distribution was made. This meant that on an $8 million valuation the corporation tax would amount to around $1.2 million, while the personal taxes of the shareholders would amount to another very large sum.

Because Read Authier has not enough cash to pay a tax of that dimension, it would probably have to sell some of its shares. Such forced sale would very likely depress the market and it was feared that the $8 millions of assets would be seriously shrunken by the time the tax was paid.

It was just about that time that the department apparently began to do some furious thinking. It was confident of its interpretation of the law, but there were some high-priced lawyers who contended that it was wrong. Why not clarify the issue by amending the income tax? Hence 32b was introduced in the dying hours of the session and passed without the mining industry even knowing about it until it was too late to protest.

The department contended that this section did not change the law. Certainly it did not change the law as the department had previously interpreted it. But the mining lawyers said: "It's all right for you to say that; it's all right for you to point to the qualifying phrase 'income . . . within the meaning of this Act,' but we know better. We know that with section 32b there, there is not a court in this land that would not rule according to your contention and against us. And thus the effect of 32b is to finalize an interpretation of the law which does tax capital. The fact that you contend it was never capital but income is beside the point. What counts is that now you have armed yourself with a legal weapon that makes your interpretation the final one and gives us no chance to put forward our own contention, which we claim is the correct and fair one."

Point No. 2

So that introduces Point No. 2 in the controversy. The department claims 32b introduces no new principle while the mining lawyers say it does to the degree that it arbitrarily finalizes a disputed point.

And so the mining industry charges bad faith.

To the remark of officialdom that if a company does not like the ruling appeal can always be made and if necessary carried to the Exchequer Court and on to the Privy Council, mining interests are but little interested.

"Costs of appeal are high," one mining man declared. "Furthermore, because of the wide discretionary power of income tax officialdom, there appears to be a very wide-spread anxiety to keep on the good side of them."

"'It isn't only making the appeal, it is waiting to have it heard that is disagreeable. It usually takes months to have it heard and I understand there are some appeals almost two years old not yet heard. Meanwhile, the Government is charging 8% interest on the amount of the tax asked for."

No Legal Test Case

There was never a legal test case involving the actual distribution of assets without sale. But the department feared that if a particular case went to law, the true intent and purpose apparently of the Income Tax Act might be defeated by some court ruling based on a particular set of circumstances, but also setting a precedent out of harmony with the main body of income tax law.

Conference between the industry and the department will shortly take place. There are hopes that the industry can obtain important concessions from the department in the form of promises that the interpretation of 32b will be a fair and reasonable one.

In fact 32b may ultimately come off the statute books. That is all in the future. The controversy is as yet unsettled.

Why Retroactive

Why was 32B made retroactive to 1936? That angle of the dispute has appeared very sinister to some mining men. The explanation is this: It was desired to make 32A effective for 1936 to catch certain allegedly flagrant tax evaders. The income taxers did not consider that 32B was introducing anything very new, so the one section of the amendment bringing the two new sub-sections into force was permitted to apply to both 32A and 32B.

The Government has an "out" in the matter. It claims that it is not taxing anything that was not taxable before. Thus it is open to officials to rule in any specific case coming before them that the shares paid over are not taxable income at all. This is what is likely to happen in a large number of cases.

Certainty vs. Reason

The mining industry on the other hand asks for certainty. Mining executives say they should not be at the mercy of the whims of officials. But the answer to that is that the Canadian income act has always been administered that way and on the whole it has been in the interests of taxpayers that it should.

The United States income tax is administered according to hundreds of written precedents and rulings, so many in fact that the whole administration of the tax is bound up with red tape. It costs a wealthy man a fortune to hire all the lawyers and experts he needs to make out his returns.

The Canadian act has been administered with a minimum of textual law and written ruling. The Commissioner of Income Tax and his inspectors have viewed different cases on their merits. On the whole they have sought to be fair and if possible generous to the individual taxpayer while being fair to the treasury and taxpayers as a whole.

Some Tax Advantages

Feeling that Canadian mining interests already enjoy important tax advantages is understood to be held in some sectors of both the Government and the mining front.

Following are some of what officialdom regards as "concessions":

Newly developed properties brought into production are exempt from taxation for the first three years.

Thereafter, the company may deduct 33% on account of depletion. The individual shareholder, recipient of a dividend, may deduct 20% for depletion.

Producing mine companies are also allowed to deduct from their income all the money spent on bringing a property into production—usually heavy expenditures over three, five or more years. Not until this "investment" is paid back, is income tax charged.

Depreciation on all mine buildings, machinery and equipment can be charged the same as by any other type of industrial concern.

The depletion allowance is granted without limitation. In other words, mining companies may continue charging for depletion years after all their invested capital has been returned.

An Editorial

Looking at the Tax Clause

For some weeks the mining community has been much exercised over amendment 32B to the national income tax law. This amendment was made unexpectedly at the end of the last parliamentary session.

Aimed to check what the Government called tax evasion and to clarify a contentious situation involving distribution of company assets under special circumstances, the amendment became a tangle of legal phraseology and journalistic misinterpretation. The lack—for some weeks—of official explanation meant that little headway could be made in quieting the uproar or in differentiating between justified and unjustified fears.

In the article on this page of The Financial Post an attempt has been made to lay bare the real facts and evaluate their significance.

* * * *

In essence the controversy centres round the interpretation placed by income tax officials on "capital gain" and on "income." For some years the department had ruled that certain transactions were "income" within the meaning of the act and therefore taxable. Decisions as to what was income and what was capital gain rested in large degree on the discretionary powers of tax officials.

Many mining executives and lawyers disagreed with the department. A long-smoldering controversy was about to come to a head, it is understood, when 32B was suddenly passed. Its abrupt appearance created fear that a new principle of taxing "capital gain" had been introduced into income tax law.

It is now up to the income tax authorities to demonstrate the authenticity of their claim that such a fear is groundless.

The manner in which the amendment was introduced in the dying hours of the session and passed into law before the mining industry had a chance to know about it, smacked of arbitrary action in income tax officials. It served to intensify the bitterness of the controversy. Some sincere friends of the mining industry did not help the situation by exaggerating and—perhaps through ignorance—misrepresenting the real effect of 32B.

* * * *

The mining industry does not object to bearing its fair share of taxation. But this industry should not be singled out for taxation upon capital appreciation.

These are the simple principles that will have to govern any settlement of the controversy—a controversy, be it noted, that goes back before the days of 32B and that has been a long time coming to a head.

* * * *

One interesting development arising out of the dispute is the implied challenge by the mining industry to the discretionary methods by which our income tax laws have been administered for years.

Canada has long boasted that she has reduced legal red tape to a minimum in this realm of public finance. Individual cases are handled on their merits by conference between officials and taxpayers rather than by a tedious resort to legal precedent built by publication of thousands of past rulings.

If Canada is to continue the present system, which has worked well, it is essential that confidence be restored between the mining industry and officialdom. Suspicion and prejudice such as have been engendered by the present imbroglio are incompatible with the system as now operated.

It is important that mining and tax officials regain, as quickly as possible, mutual confidence in each other's good faith and fairness.

HEADS B.E.A.R.

Thomas F. Lee has just been elected president of Bear Exploration and Radium Co. Long connected with New York investment houses, Mr. Lee now makes his headquarters in Toronto.

Anglo-Canadian Oil Co. July Production Higher

Production of crude from wells of controlled and associated companies of Anglo-Canadian Oil Co., for July amounted to 173,754 bbls. compared with 103,803 bbls. for the previous month and 541,300 bbls. for the first six months of the fiscal year commencing Feb. 1, 1938.

July production value was to $213,065 compared with $129,521 for June.

The Coronation well was completed during July and its potential established at 1,450 bbls. daily. The official potential of the Frontier well was established at 5,078 bbls. per day on July 11, making it the largest well in Alberta.

Bulolo Gold Dredging Recovery Up in July

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports that production for July amounted to 13,569 oz. fine gold. This compares with 12,603 ounces in June, and 9,675 ounces in July last year.

Estimated working profit for July totalled 8,900 fine ounces, which is equivalent to $311,500 in Canadian funds with gold at $35 per ounce. In June the working profit was $303,870, and in July, 1937, $220,080.

Production in July was from 1,232,000 cubic yards of gravel as against 1,184,000 cubic yards in the previous month and 933,000 in July a year ago.

B.E.A.R. Has Wide Interests

Broad Operations Planned at Bear and Yellowknife Properties

A broad programme of development has been planned for Bear Exploration and Radium, shareholders were informed by Thomas F. Lee, president, at the annual meeting on Aug. 22. Aggressive work is planned at the Great Bear Lake silver-radium mine and the mill there is expected to reach full capacity this month.

Next spring, mill capacity will be trebled, if possible, and it is planned to install equipment to reduce ore to near-bullion which can be shipped out by plane at regular intervals. Prospectors will prospect the property for other showings. At the present time the mill is expected to net $8,000 to $10,000 monthly. Production for July was $10,434 and for the first 15 days of August production was valued at $12,077. A recent shipment of concentrates produced $25,810.

Development of 11 Yellowknife properties, in which B.E.A.R. is interested, is to be carried on. Prospectors and drillers are already at work. Work will be continued throughout the winter with drilling from the ice.

With the new management assuming control, finances have been rehabilitated. At the time of taking over, approximately $250,000 was owing various creditors. Since then an agreement has been made with J. J. Gray, who owned the major portion of all B.E.A.R. stock, which makes possible a contribution of $150,000, of which $55,000 is immediately available with the balance as needed. Together with previous finances, the $55,000 will serve to liquidate all liabilities and leave a working capital of about $25,000 with an additional $100,000 as required, the president states.

Several of the 11 Yellowknife properties have been drilled and superficially examined with encouraging results. Important showings are reported on the Quyta, Homer, Greyling, Prosperous, H.G.B., and Rich groups as well as others.

The pro forma balance sheet of B.E.A.R. as at June 30, 1938, shows current assets of $218,404 including cash of $71,307 and $95,000 receivable under an underwriting on 267,667 shares of the company held in trust for its benefit. Current liabilities were $47,734. In addition the company held 200,000 shares of Giant Yellowknife Gold Mines, 100,000 pooled shares of Yellorex Mines, and 1,005,267 shares of Yellowknife Gold Mines.

Reno to Open Up 2 Veins by Adit

Plans Long Term Development Programme on Other Ground

From Our Own Correspondent

VANCOUVER. — Reports that Reno Gold Mines planned to return to the development of the Nugget and Motherlode veins by a deep adit tunnel were confirmed by Secretary W. A. Sutton here.

In the past Reno has been concentrating on the Reno and Donnybrook veins in the Reno quartzites on the Reno mine area of the property.

The new adit, which has been faced up, is located above the mill and is known as the 4,900 level tunnel. It will drive through the hill to open first the Motherlode, then the Nugget vein, giving an additional depth of about 600 feet below the previous lowest levels.

Diamond drilling will determine whether the adit will be extended through to the Reno mine section.

Madsen Red Lake Treats 250 Tons

The new 300-ton mill of Madsen Red Lake Gold Mines commenced regular milling operations on Aug. 11. Tonnage treated was stepped up to 250 tons daily according to last official report and it is understood a somewhat higher tonnage is now being treated.

Mining work has recently been confined to preparing for the opening of milling operations with the result that there have been no new developments.

Since the last annual report a number of high grade patches were discovered in the course of operations and it is expected that these will make some improvement in the average grade of ore.

Malartic Gold Fields New Toronto Listing

Shares of Malartic Gold Fields have been approved for trading on the Toronto Stock Exchange and are being called for trading on Thursday, August 25. Ticker abbreviation is MGF.

Authorized capital is 4,000,000 shares with the 500,000 shares remaining in the treasury under option to Nesbitt, Thomson & Co., half at 65 cents per share and the balance at $1 per share. Shaft sinking followed by underground work is now being considered to develop ore bodies indicated by diamond drilling. Practically all the work has been done on the main group in Fourniere and Dubuisson twps., Malartic area, Que.

Central Cadillac Starts Sinking Permanent Shaft

Central Cadillac Gold Mines has decided to sink a permanent three-compartment shaft to the 500-ft. level with stations cut at 200, 350 and 500 ft. This programme of work is to be started within the next few days.

Drifting on the No. 2 vein has been carried to the eastern boundary at the second level. From this heading it is planned to put out a series of diamond drill holes to outline the true dimension of the ore body. Work is being continued on the No. 11 vein at the same level and to Aug. 17, an ore shoot 200 ft. in length was exposed averaging $11.42 per ton across drift width.

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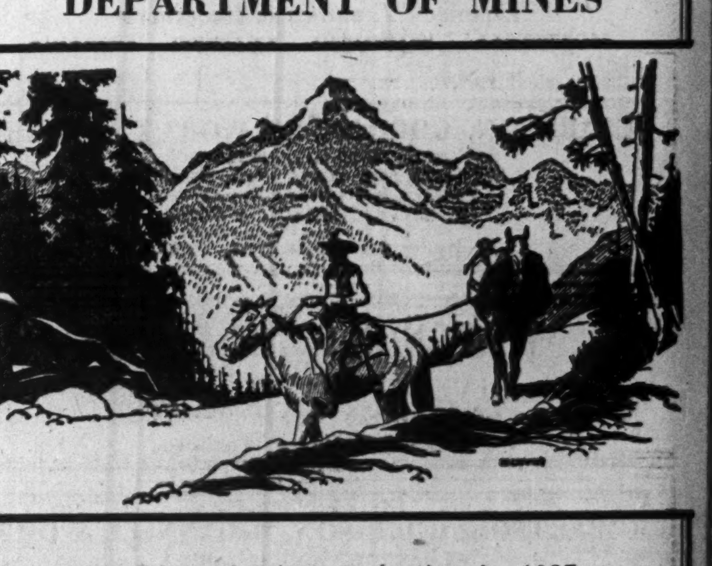


The value of mine production in 1937 was $74,475,902, an increase of $20,393,935 over 1936. All phases of the mining industry have shown increases in both volume and value.
For copies of the Annual Reports of the Minister of Mines and other publications dealing with the mining industry of this Province, apply to:
DEPUTY MINISTER OF MINES
VICTORIA, B.C.
NOTE: An Index to the Annual Reports of the Minister of Mines for the years 1874 to 1936 has been printed, and copies may be obtained upon payment of a charge of $1.00 each.

Construction

Long Term Building

Mutual Life Head Office Extension Reflects Value of Planning Ahead

Value to business institutions of long term plans, allowing for periodic expansion of buildings, is reflected in current construction of the substantial addition to the head office of the Mutual Life Assurance Co. of Canada at Waterloo, Ont.

In many cases, failure of commercial concerns to plan for possible future need for larger premises has resulted in costly experiences. Original buildings have been erected on sites failing to allow for future extension, or the buildings themselves have been neither adaptable to enlargement nor integrated with long term plans.

As a result, when expanded quarters were essential, such concerns have been faced with two alternatives, both expensive. A larger building has had to be constructed on an entirely new site, or extensions have had to be built on property adjoining the old building. In the second instance, high cost has often been accompanied with lack of harmony in regard to architecture, connection of the new structure to the old, and operating efficiency of the enlarged building.

Providing for Future

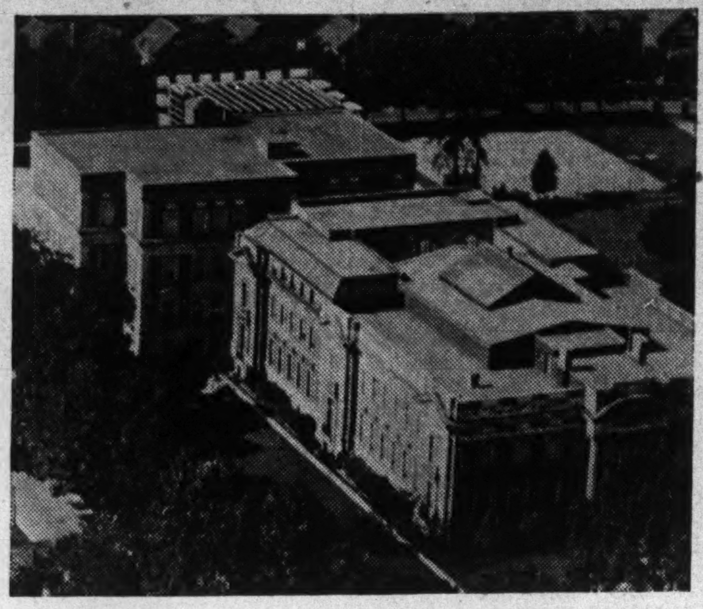
No such difficulties hover over the Mutual Life project. The present addition fits naturally into the structural and operating layout of the existing building. It is an integral unit of a long term plan providing for an ultimate building four times the size of the present establishment.

The plan is such that new units or extra floors can be added from time to time to the present building without destroying its unity. This has the added advantage that the company need not build up to the maximum of the long term scheme unless conditions eventually require it.

Third Addition

The current extension is the third such project since the original building was erected in 1910. The original structure and the extensions were all designed to fit into the plan and to provide a natural nucleus for whatever ultimate expansion will become necessary. On the other hand, should no further enlargements become necessary, the building as it will stand on completion of the present addition will be a complete and cohesive structure.

The long term plan is largely the product of Dr. John A. Pearson, Toronto architect well known for his designs for premises of financial institutions. The present addition was designed by Thomas D. Rankin, former associate of Mr. Pearson, in consultation with the latter.



CO-ORDINATED EXTENSION

Extension of the Mutual Life Assurance Co. head office at Waterloo, Ont., is being carried out in accordance with a long term plan originally drafted in 1910, and allowing for an ultimate building four times the size of the present structure. Above is aerial view of the existing building, with dotted white line indicating the position and approximate size of the addition.

Enamel & Heating Outlook Improves

Sales Off in First Half of Year, But Trend Now Encouraging

From Our Own Correspondent

MONTREAL.—Enamel and Heating Products report sales for the first six months of the current year showed a decline from those of 1937, but were higher than for the like period of 1936.

The current situation is much improved, particularly in the export market, according to N. A. Healer, president and managing director. In commenting on the outlook for the balance of the year, he stated that it was the belief of the company that sales during the last half of 1938 will equal those for the same period a year ago.

Showed Gain in 1937

During 1937 Enamel and Heating Products reported an improvement in net earnings, which totalled $52,751 compared with $20,603 in 1936 and a net operating loss of $25,047 in 1935. Earnings per share were equal to 27 cents, as against 19 cents in the previous year.

Working capital position was improved by more than 53,000 during the year, but current liabilities were still $80,817 in excess of current assets at Dec. 31, 1937. Secured bank loans decreased $12,000, while inventories showed an increase.

Louisiana Land Profits Lower for Second Quarter

From Our Own Correspondent

MONTREAL.—Lousiana Land and Exploration Co. reports net profits for the quarters ended June 30, 1938, of $318,000 after depreciation, depletion, lease rentals and Federal income tax. This is equal to 10 cents a share on the 2,977,449 shares outstanding and compares with $468,000 at 16 cents a share for the same quarter last year and $453,000 at 15 cents in the first quarter of 1938.

For the first half of 1938 indicated net profit was $771,000, equal to 25 cents a share. This contrasts with $1,008,500, or 34 cents a share for the first half of 1937.

The Louisiana Land & Exploration Co. has advised the Montreal Stock Exchange that the company held 23,729 shares of its own capital stock in its possession at July 31, 1938.

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Construction World

Air Conditioning

It is a serious mistake to put sales emphasis on summer air-conditioning for private homes, the current bulletin of the Canadian Institute of Plumbing and Heating points out. Real conditioning at this time, it is explained, involves the complex and expensive problem of eliminating excessive moisture or humidity and the hot season may last only a few weeks and then when the whole family is on vacation. For large commercial establishments like theatres, stores, restaurants and hotels, of course, it is an entirely different matter.

Winter air-conditioning for Canadian homes, on the other hand, offers a real field. Satisfactory equipment is simple and economic, because the problem is to add, not eliminate, moisture and expensive additional apparatus to dry air therefore is not at all necessary.

* * *

First Loan

First loan to be made under the Municipal Improvements Assistance Act (self-liquidating works) was recently arranged by the City of Vancouver. The Government is providing the city with $750,000 of 2% money for construction of trunk watermains. The Greater Vancouver Water District apparently satisfied the Government that the mains would increase the district's revenue and operating efficiency to an extent sufficient to carry annual charges on the loan.

At last report, however, the Government was not satisfied as to the self-liquidating character of projects for which the Vancouver School Board wished to borrow $400,000. Other applications for loans are under consideration, including one from the City of Fredericton to finance a $200,000 hospital extension.

* * *

High Wages, Low Pay

For those who often wonder why residential and other building in England has enjoyed such a sustained boom in recent years, a contributory factor is illuminated by a comparison by W. G. Hunt, president of the Montreal Builders Exchange. His compilation shows a striking contrast between the wage rates of building labor in England, Canada and the United States, and goes far to explain why available labor cannot meet the demand in England, while in Canada and the U. S. there is widespread unemployment among building workers. As published in the Journal of the Royal Architectural Institute of Canada, the Hunt tabulation is as follows:

Hourly Wage Rates

	Manchester $	Montreal $	New York $
Bricklayers	.40	.80	1.88
Carpenters	.40	.70	1.75
Plasterers	.40	.80	2.00
Plumbers	.40	.75	2.00
Laborers	.30	.40	1.42

While cheap money and Government subsidies have been major factors in promoting Britain's building boom, their effect could have been largely nullified if British building mechanics had insisted on pushing wage rates up to arbitrary levels. Instead they have preferred assurance of regular employment and sustained annual earnings. On this continent the demands of labor have helped to hoist building costs to discouraging levels, curtailed volume of building, and restricted annual earnings of building workers (such as were employed) to low averages.

New Building

Canadian Department Stores Ltd. (T. Eaton Co. subsidiary has awarded contract for $75,000 store at Kirkland Lake.

Art Association of Montreal is checking quotations for erection of an addition to art gallery on Sherbrooke Street.

International Foils Ltd., subsidiary of British-American Tobacco Co., has awarded contract for construction at Cap de la Madeleine of $1.2 million plant for production of aluminum foil for parent company.

McGill University has called for tenders, through architects, for construction of $93,000 radiation laboratory building to house a cyclotron, atom smashing mechanism.

John Labatt Ltd., London, Ont., has obtained permit for building of bottling plant unit at its brewery, and contemplates erection of new office building and recreation-cafeteria building for employees.

O'Keefe's Brewing Co., Toronto, is having plans prepared by Chapman & Oxley, architects, for erection of a five-story, stone-faced office building adjacent to its plant at Victoria street and Dundas street.

Department of Transport is preparing to award contract for construction of combined hangar, administration building and workshop at the new Uplands airport near Ottawa, at cost of about $75,000.

Reported by Engineering & Contract Record:

City of Calgary has completed purchase of 640 acres on the outskirts of the city as site for a $250,000 airport development in co-operation with the Dominion Government.

Blue Water International Bridge between Sarnia, Ont., and Port Huron, Mich., is nearing completion as work is pressed on approaches, customs and immigration buildings, etc.

City of Verdun (Montreal) has selected a site for proposed $250,000 municipal auditorium.

Dominion Fruit Co., Edmonton, has awarded contract for $50,000 warehouse construction.

Animal Food Products Ltd., Vancouver, is establishing branch in Toronto and plans erection of $150,000 plant.

English Newsprint Price Cut for 1939

From Our Own Correspondent

MONTREAL.—Negotiations concluded between English publishers and British newsprint manufacturers have set the London price of newsprint from April 1 to December 31, 1939, at £11 5s per ton.

The present price of £11 10s per ton will remain in force until the end of March next. This price of £11 10s per ton is an increase of 30s per ton over the price prevailing in 1935-37.

Restrict Output European Pulp

Northern Producers Set Plan for 12 Months — Finland Output High

From Our Own Correspondent

MONTREAL.—Sulphite and cellulose producers of Finland, Norway and Sweden, announce their decision to restrict production for the next 12 months to a rate equivalent to 15 weeks production.

This sharp curtailment in operations over the next year reflects not only the limited demand for pulp but the fact that the Scandinavian producers in the past half year have been producing too large a quantity. The announced restriction, therefore, would tend to bring about a balance as between the supply and the demand.

Finland Reports Output

The trend of pulp production in the Scandinavian countries is typified by the experience of Finland. For the half of this year, Finland produced more sulphate and cellulose than in the same period of 1937 despite a falling market. Production of sulphite cellulose and mechanical pulp was somewhat less than a year ago.

Comparative production returns for Finland by months for the first half of 1938 and 1937 follow:

Mechanical Pulp—Tons

	1938	1937
January	23,228	20,004
February	17,099	16,998
March	17,441	20,041
April	14,644	23,819
May	12,583	23,228
June	14,523	28,364
Half-year total	99,518	132,454

Sulphite Cellulose—Tons

	1938	1937
January	57,093	59,161
February	57,159	49,108
March	55,416	67,296
April	48,558	73,435
May	52,153	70,875
June	51,280	75,963
Half-year total	321,659	395,838

Sulphate Cellulose—Tons

	1938	1937
January	37,123	26,236
February	31,391	16,082
March	40,779	32,511
April	23,319	32,915
May	28,492	26,700
June	21,308	31,826
Half-year total	182,412	166,270

Propose Buying Block of Land

From Our Own Correspondent

MONTREAL.—Pacific Mills Ltd., Ocean Falls, B.C., one of the largest pulp and paper manufacturers on the West Coast, has applied to the B. C. Government for permission to purchase 55 acres of land on the west shore of Cousins Inlet in the vicinity of Ocean Falls and bordering on Twin Lakes.

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Pulp and Paper Industry

Germans Look to Wood-pile Meet Future Textile Needs

From Our Own Correspondent

MONTREAL. — Synthetic fibre manufactured in Germany from wood has become of necessity a definite commercial factor in the life of the nation. This is the conclusion reached by members of the executive council of the International Wool Publicity and Research Fund, formed to advance the interests of producers in Australia, New Zealand and South Africa.

Less of the artificial and more of the natural product would be consumed in Germany, says the committee, if exchange or other facilities could be arranged to enable German manufacturers to buy greater quantities of wool. They intend to report in these terms to the producers organizations they represent in the three Dominions, and through them, it is expected, to the respective governments.

Use 100,000 Tons

Last year approximately 100,000 tons of the synthetic fibre were obtained in Germany by the processing of timber. At present about 30% of the synthetic fibre was used in men's clothing of good quality and a higher percentage in inferior quality, and up to 50% in women's clothes. Those percentages, the Germans claim, could be increased if conditions demand it.

The Research Fund Committee saw no reason to doubt the German claim that, during a national emergency, the country could be completely self-supporting in its supplies of that raw material.

Paper Outlook Brightens

(Continued from page 1)

last six months and now is within "reasonable" proportions.

Must Replace Stocks

Of the greatest importance to the future operation of the Canadian mills is that the publishers can continue only for a short time to draw upon reserves to meet current requirements before they begin eating into their regular supply.

In order to maintain the regular supply it will be necessary soon for the publishers to step-up their orders for newsprint. This is expected to take place by the end of September or early in October.

50,000 Tons a Month

It is not practicable to be too precise in saying what this will mean to the Canadian mills. However an approximate idea can be had. To the end of June the American publishers drew upon their reserves to the extent of around 300,000 tons, or at an average monthly rate of 50,000 tons.

Therefore the American publishers can continue to draw down in August and September another 100,000 tons without affecting their regular reserve supply of paper.

After that these draw-downs must be replaced by new paper.

It is logical to expect—and leaders in the industry hold the same belief—that with a continuation of the present trend, American publishers will be buying around 50,000 tons a month more from Canadian mills than at present.

Big Quarter Expected

As a reflection the Canadian mills will undoubtedly show a fairly substantial operating profit for the last quarter of 1938. This does not mean that returns for the full year will be comparable with those reported in 1937. But it does mean that the financial statements will reveal that the majority, if not all, of the operators will cover their senior charges. There will be little, if anything, left over for capital stock as was the case last year.

Watch U. S. Business

The situation further is possible of improvement through a betterment in the American business trend. Should this happen, advertising will increase; reader interest widen; and, in turn, the use of newsprint paper advance. This would mean that the surplus reserve stock would be used up faster than now anticipated. However, the gain in this respect is to be taken cautiously, for even at the best the American newsprint consumption for 1938 will be at least 10% less than in 1937.

Decline of American newsprint consumption this year reached its zenith in June, when the volume of paper used was 16.4% less than for the same month in 1937. July showed a reduction of only 10.7%. In view of the anticipated business revival in the States, operators are hoping and expecting that the trend of consumption for the remaining months of the year will not be any worse and possibly a little better.

Trend of Consumption

As a matter of interest the trend of U. S. consumption this year follows:

American Newsprint Consumption
(Decline from same month in 1937 expressed in %)

January	7.2
February	11.2
March	12.3
April	12.9
May	14.6
June	16.4
July	10.7

If the adverse trend is held to around 10% to the end of the year, then the manufacturers may expect a moderate gain in demand over and above that expected from the replacement of the draw-down from surplus stocks held by the publishers. To the end of June, for example, the decline in American consumption of newsprint was 12.5% compared with the same period last year. If the decline holds to around 10% for the last half of the year—a hope fostered by the returns for July—then the plus 2% increase in consumption as compared with the first six months would add appreciably to shipments.

It is too difficult to be precise as to what will be the outcome for the balance of the year. However, the industry is almost definitely assured of a comparatively substantial increase in shipments during the last quarter.

Entering 1938 the industry should have no inventory problem. There should be close co-ordination between production, shipments and consumption. Whether the demand trend in 1939 will move upward depends, of course, on business in the United States. In any event the industry and, in turn, the individual manufacturers will be in a stronger position at the beginning of 1939 than was the case at the beginning of 1938.

Abitibi Profits, Shipments Drop

Seven Month Total About Half That For 1937 But Earnings Above 1936

July earnings of Abitibi Power & Paper Co., at $256,843, were just half those reported for the same month a year ago, according to figures released by G. T. Clarkson, receiver and manager. The drop in the latest month is greater than that for any month since March.

For the first seven months of this year, earnings of Abitibi, before depreciation and bond interest, but after interest on receiver's certificates, have totalled $1.4 million. This is well below the $2.6 millions earned on the same basis in the corresponding period of 1937, but is still well above the $1.1 million earned in the first seven months of 1936. Comparative earnings figures follow:

Monthly Earnings

	1938 $	1937 $	Decr. %
January	114,219	336,972	66.10
February	77,469	262,894	70.53
March	140,258	335,218	58.16
April	181,932	362,653	49.83
May	285,265	406,145	29.76
June	331,067	394,169	16.01
July	256,843	522,580	50.85
	1,387,053	2,620,631	47.07

As is indicated by the earnings figures, newsprint shipments in July of this year were down, amounting to 22,960 tons against 42,532 tons in July, 1937, and also well below the 31,359 tons shipped in July, 1936. Shipments of bleached sulphite pulp have aggregated 16,872 tons in the first seven months of 1938 against 38,644 tons in the corresponding period of 1937. August shipments of newsprint are estimated at 24,000 tons and 2,700 tons for bleached sulphite pulp. Tonnage figures follow:

Newsprint Shipments
(Short Tons)

	1938	1937
January	18,058	35,545
February	16,004	29,338
March	18,239	34,628
April	22,001	36,321
May	25,412	40,223
June	27,493	39,671
July	22,960	42,532
	150,167	258,258

Shipments of Bleached Sulphite
(Short Tons)

	1938	1937
January	2,150	5,392
February	1,937	5,125
March	2,135	5,897
April	2,841	5,458
May	3,000	5,411
June	2,142	5,564
July	2,667	5,797
	16,872	38,644

Lake Sulphite Stock Transfer Charge Raised

From Our Own Correspondent

MONTREAL.—Transfer agent for the Lake Sulphite Pulp Co. advises the Montreal Curb Market that a fee of 50 cents will be charged for each certificate issued in respect of transfers of stock of Lake Sulphite Pulp Co.

Rigid Board Firms Are Holding Own

Three Operators' Returns to End of July Well Maintained

From Our Own Correspondent

MONTREAL. — Canadian producers of rigid insulating board report a slight falling off in production during July. Cumulative returns for the seven months ended July, however, show that output this year is on practically the same basis as a year ago.

The Government returns for last month reveal that the output of panel board was ahead of the same month a year ago. The decline in plaster base, roof and miscellaneous board, however, was sufficient to bring down the aggregate total.

Well Up to 1937

Comparative output for Donnacona, Building Products Ltd., and International Fibre Board Co. during July and for the seven months ended July follow:

(Returns in Square Feet)

Type	July 1938	July 1937
Panel	3,546,203	3,493,796
Plaster base	617,658	790,823
Roof	550,444	849,093
Miscellaneous	118,630	361,774
Total	4,832,935	5,495,486

7 Months Ended July

	1938	1937
Panel	21,457,430	20,103,819
Plaster base	2,502,886	3,779,861
Roof	1,813,156	2,071,477
Miscellaneous	1,824,932	2,558,355
Total	27,598,404	28,513,512

Paper Companies Fined For Working on Sunday

From Our Own Correspondent

MONTREAL.—Price Bros & Co. and Consolidated Paper Corp. have been found guilty for violation in the Lake St. John district mills of the Quebec Sunday labor laws. The charges were laid at the beginning of 1937, but judgment was delayed until this month. Price Bros. was fined $250 on one count of preparing on a Sunday to make paper at its Kenogami plant and $250 on another charge of making paper at Jonquiere. Consolidated was fined $250 for preparing for paper manufacture on a Sunday at its Port Alfred plant.

Valleyfield Paper Mills Abandon Building Plans

From Our Own Correspondent

MONTREAL.—Valleyfield Coated Paper Mills, whose plant at Valleyfield, P.Q., was destroyed by fire on June 23, will not be rebuilt, according to an official announcement. The manager, A. Reid, in the name of the company, handed a cheque for $100 to each of the firm's 60 employees.

This company was in operation for many years, specializing in the production of coated papers.

PRICE BROS.
& Company Limited

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Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES

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BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP

Executive Office:
Dominion Square Bldg.,
Montreal, P.Q.

General Office:
Edmundston,
New Brunswick

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
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